

EUROPEAN NEWS

Gaullist Ministers call for end to Chirac 'tirades'

BY DAVID WHITE IN PARIS

THE GAULLIST party's 11 members of France's centre-right coalition Government are at the centre of a fierce foreign policy debate which divides the leadership of their own RPR party and the UDF group loyal to President Valéry Giscard d'Estaing.

As the argument about France's place in the EEC warms up in readiness for elections to the European Parliament, M. Jacques Chirac the RPR leader, has warned Gaullist members of the Government that they will be thrown out of the party if they follow the lead of M. Raymond Barre, the UDF Prime Minister, and back the UDF's list of candidates, and its pro-European platform.

The government Gaullists, six Cabinet Ministers and five secretaries of state, replied yesterday by agreeing to back

the RPR's list of candidates. But they also told M. Chirac to stop his anti-Giscard tirades. Their choice of words was firm but the warning will undoubtedly prove to be in vain.

The statement quoted General de Gaulle's dictum: "The President is the man in charge of the essential, and anything that weakens him weakens France."

Party officials retorted that Ministers who held no party posts were in no position to give lessons in Gaullism.

The Gaullist Ministers, who include M. Alain Peyrefitte (Justice), M. Robert Boulin (Labour) and M. Yvon Bourges (Defence), said they were ready to back the Gaullist campaign thus avoiding a split in the movement.

"But a stop must be called to certain behaviour which reflects seriously on the country's con-

fidence in the future and which stands in outright contradiction to many basic principles which rallied us around General de Gaulle: primacy of the executive, cohesion of the majority which supports our action, willingness to put the interest of the state and the nation above all other considerations, rejection of demagoguery and systematic denigration, vigilance so as not to return to a party system under which committees and congresses used to dictate to the Government, respect of the presidential function."

M. Chirac said last week that the President would lose his campaign for re-election in 1981 unless he changed his policies. He also attacked M. Barre for taking sides in the European elections and choosing between the two political factions which make up the Government majority.

Swiss to step up defence purchases

By Brij Khindaria in Geneva

THE SWISS Government has presented Parliament with a defence procurement Bill of SwFr 1.7bn (about £470m)—the largest since the major Swiss rearmament programme during the Korean war.

Explaining the Bill, Federal Councillor Rudolf Gnaegi said the money was needed to modernise weapons used by the Swiss defence forces. The major expenditure will be on U.S. M109 tanks. Switzerland has placed new orders for 207 such tanks to replace outdated ones by the early 1980s.

Some of the money will be spent on making the Air Force's squadrons of Hunter aircraft capable of electronic warfare, using missile systems and radar to detect enemy aircraft. They will also be fitted with new cannons for air-to-air combat.

Improvements to existing anti-aircraft systems will take up another chunk of the budget, while about SwFr 347m will be spent on building new armed forces facilities and buying more land.

The huge defence procurement demand has given rise to criticism, particularly because 49 per cent will be spent outside Switzerland, the largest proportion ever. In previous years the Government's aim has been to spend 70 per cent of defence budgets within Switzerland.

Hitch over Italy poll date

BY RUPERT CORNWELL IN ROME

ITALY'S CABINET was meeting last night to decide whether the forthcoming general election can legitimately be held on the same day as the European elections, planned for June 10.

The dilemma has forced Sig. Giulio Andreotti, the caretaker Prime Minister to seek the advice of the council of state and has created further bitterness between the parties on the eve of the campaign.

The issue turns on the technical point of whether voting in the domestic election, normally spread over a day and a half, can be reduced to the single day of June 10, through a

simple administrative decision by the Government.

Should this not prove permissible, Sig. Andreotti would have little choice but to hold the national elections before the European polls, probably on June 3 and 4. The small Radical Party has already made it clear that it will filibuster any attempt at pushing through a decree law, which would also require the recall of a dissolved parliament.

The Socialists stand to lose most if carefully laid plans for holding the two polls together collapse. They have fought all along for such a step in the belief that their expected strong performance in the Europe poll

will spill over into the domestic election.

The party again called yesterday for the two votes to be held in tandem, pointing out that separate dates would add substantially to the cost.

Meanwhile, magistrates yesterday began questioning terrorist suspects arrested at the weekend, in Padua, in particular. It is also reported that Sig. Antonio Negri, a political lecturer at Padua, who is regarded as intellectual leader of the "autonomist" splinter groups, has been transferred to Rome for interrogation by magistrates investigating the kidnap and murder last year of Sig. Aldo Moro.



President Nicolae Ceausescu

Ceausescu in Libya oil accord

By Paul Lendvai in Vienna

PRESIDENT CEASESCU of Romania appears to have scored an important success with Col. Muammar Gaddafi, the Libyan leader, with regard to increased shipments of crude oil for Romania.

The final communique on their talks in Libya last week was published last night and referred to a long-term agreement and a memorandum signed during Mr. Ceausescu's two-day visit about diversification of commercial exchanges and co-operation in building, industrial and farm projects as well as crude oil exports from Libya.

Col. Gaddafi reaffirmed that Libya would do everything in its power to consolidate and broaden economic relations. The two leaders also agreed that the competent authorities should finalise the agreements "as soon as possible."

According to unconfirmed reports Romania was seeking to buy at least 2.5m to 3m tons of crude annually from Libya. No figures have been released about last year's deliveries or about expected deliveries this year.

But Mr. Ceausescu said that trade since his last visit to Libya in 1974 has risen fourfold. There are some 3,000 Romanian experts in Libya building houses and schools, the Central Post Office and the Industrial Bank, roads and a fishing port.

Romania is the only Warsaw Pact country apart from the Soviet Union with a substantial oil output. However, production has been steadily declining to a low of 13.7m tons last year while demand was rapidly rising.

In January this year Romania asked Saudi Arabia to deliver 3m tons of crude oil annually to Romania. High level Romanian delegations recently visited Iraq, Kuwait, Abu Dhabi and Venezuela in a coordinated effort to find alternative sources of supply.

French jobless may reach 2.5m

BY TERRY DODSWORTH IN PARIS

FRANCE COULD have up to 1.8m unemployed by 1983 and 2.5m by 1985, according to a study made by the national statistical office, INSEE, working on the new national plan.

This projection of trends, which is not meant as a firm forecast, indicates that the present high level of unemployment in France—now running at 1.5m—is here to stay.

But the composition of the labour market will also change, the study adds.

The main factor in these movements will be the growing number of women looking for employment from now until the end of the century.

The experts expect to see only a modest decline in prices. Inflation should be down to between 6 and 7 per cent by the end of 1985, they say, allowing an improvement of about 3 per cent in purchasing power.

The economy should grow approximately in step with the

rest of the world, at between 3.1 and 3.6 per cent a year.

One of the biggest longer-term problems facing the economic managers will remain in the social security system. This was the subject of a wide government reorganisation earlier this year.

The present rates of subscriptions to the social security organisations will not be sufficient to keep them out of financial trouble, the study adds.

W. German economy 'thoroughly robust'

BY GUY HAWTIN IN FRANKFURT

DR. WILFRIED GUTH, the man most widely tipped as the next Governor of the Bundesbank, yesterday described West Germany's economy as "thoroughly robust."

But he warned that there was cause for concern about the prospect of a continued upswing in 1980.

West Germany had weathered the "shock" which followed the Iranian revolution far better than had been expected, said Dr. Guth, the joint chief executive of Deutsche Bank West Germany's largest bank. Exports were also expected to benefit from greater stability on the exchanges.

However, there were two great dangers facing the

economy. First, there was the chance of renewed inflation. Most important, however, was the prospect of a bottleneck in energy supplies.

Speaking on economic prospects for 1979, Dr. Guth said that not only had fiscal policy provided an impetus for capital investment in industry, but entrepreneurs had also reacted positively to the light economic upturn. A 6 per cent growth in investment was expected for the year.

Pay settlements after the steel strike had been moderate, he said, and price rises in West Germany were being imported rather than "made at home."

Dr. Guth hoped that sufficient



Dr. Wilfried Guth

price stability would be maintained to prevent the wage-price spiral starting again.

KWU defends atom standards

BY JONATHAN CARR IN BONN

LEADING REPRESENTATIVES of the West German nuclear power station construction industry have sought to show that the kind of accident which occurred at the Harrisburg plant in the U.S. was virtually ruled out in German-built atomic installations.

At the same time they agreed that no technical system could be wholly problem-free, and welcomed the new examination of German reactor safety just announced by the Bonn Government. They felt it might produce suggestions for improvement on matters of detail, while confirming that the general safety standard of German reactors was second to none.

The points were made at a Press conference here yesterday by Herr Klaus Barthelt, executive chairman of Kraftwerk

Union (KWU), the country's leading power station building concern, and by other Board members. The comments come at a time when West Germany's nuclear power plans, long the object of particularly sharp domestic criticism, have come under increased attack.

There are clear signs that atomic power is now emerging as a key issue in the campaign for the important provincial election on April 29 in Schleswig-Holstein, the state which was the scene of fierce clashes between police and opponents of nuclear power in 1976.

It also seems a devious factor even within the Government, with at least one minister publicly ready to envisage circumstances in which West Germany might have to drop its

nuclear power option—a position which several of his colleagues are not ready to support.

Herr Barthelt said that West German atomic power station builders followed a security philosophy different from that existing in the U.S.

More security stages independent from each other, were built into German installations.

Had a sequence of events similar to that at Harrisburg begun in a German reactor, safety cooling measures would have cut in automatically and immediately, he said. Five separate security stages would have had to fail one after the other to bring an accident similar to that at the U.S. plant.

Herr Barthelt noted that his company built conventional as well as nuclear power stations

and that from the business viewpoint KWU was just as happy to accept orders for the former as for the latter.

But he stressed his agreement with the Bonn Government's official stand that a contribution from nuclear power would be required if West Germany were not to suffer a serious energy shortage in the next decade.

He noted that West Germany had a current surplus power capacity of about 6,000 MW—this would vanish by about the end of next year. KWU itself had received no firm order for a nuclear power station, either at home or abroad, for three and a half years. The company had orders in hand worth about DM 34bn but, Herr Barthelt noted, it was not hard to retain a thick order book when legal and other delays prevented construction.



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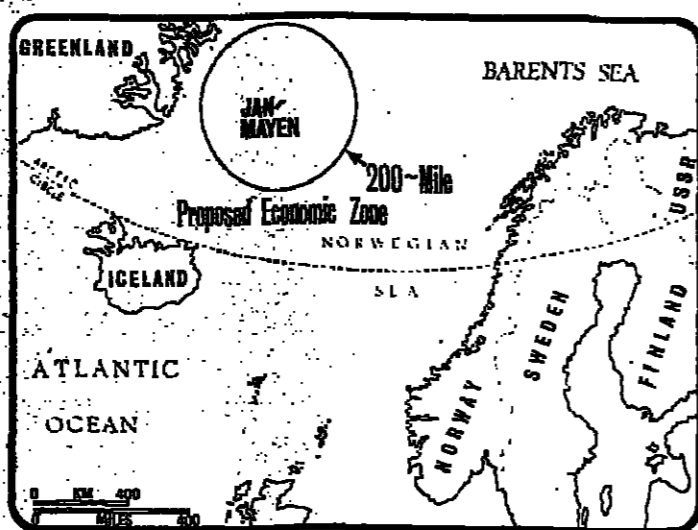
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هكذامن التمهيل

PROBLEM OF NORWAY'S 'OTHER ECONOMIC ZONE'

Treading carefully over Jan Mayen

NORWEGIAN FISHERMEN are urging their Government to declare a 200-mile economic zone around Jan Mayen, a rocky volcanic island of 373 square kilometres north-east of Iceland and strategically situated on the approaches to the Atlantic from the Barents Sea.



The Norwegian Labour Cabinet has postponed a decision until it has looked more closely into the political aspects and the fish stocks have been accurately assessed, but the fishermen can be expected to renew their demand later this year.

Jan Mayen was discovered by the Irish monk Brendan about 1,000 years ago. Henry Hudson, the British navigator who gave his name to Hudson Bay, was one of the skippers-sailing the Murmansk route from the 18th century onwards to drop anchor off the island, but Jan Mayen was first occupied by the Norwegian meteorological service in the 1920s.

It was formally annexed by the Norwegians in 1925 and incorporated into the Kingdom of Norway in 1930. Jan Mayen currently hosts a meteorological station, a LORAN navigation station, which is used for both civilian and military purposes and a 1,600-metre landing strip. Some 25 to 30 Norwegians from the meteorological service and the defence forces are stationed there.

Norway's sovereignty has never been disputed and the status of Jan Mayen is not connected with that of the Svalbard (Spitsbergen) islands, where Norwegian sovereignty rests on a treaty of 1920 recognising the rights of 41 signatory nations to exploit the islands' economic resources.

The Russians have challenged the Norwegians' right to operate a fisheries protection zone around Svalbard and even Norway's Western allies, the U.S., Britain and West Germany, have tabled reservations about the Svalbard zone, although they have in practice respected Norwegian regulations within it.

The Norwegian fishermen's disappointment with the results of the 200-mile economic zone off the Norwegian mainland, which became effective in 1977, lies at the root of their demand for a zone around Jan Mayen. More explicitly, it has been prompted by the complementary agreements about fishing in the Barents Sea which

have had to be concluded with the Russians.

The continuing decline of both the cod and capelin stocks in this area has forced the Norwegian and Soviet authorities to reduce the allowable catches this year. The total cod catch has been cut by 150,000 tonnes to 660,000 tonnes which, after third countries have got their share, leaves the Norwegian fishermen with the right to fish 55,000 tonnes less than in 1978.

The agreement also allows the Russian fishermen to take 80,000 tonnes within the Norwegian zone while the Norwegians can fish only 30,000 tonnes on the

small fish of the herring family used mainly for fish meal and oil. The capelin have been over-fished and compared with the peak of 2.9m tonnes caught in 1977 the allowable catch for 1979 has been fixed at 1.8m tonnes.

In negotiations at the end of last year the Norwegian authorities accepted a 60/40 division of the catch in their favour, after starting by claiming 75 per cent. This means that almost all the reduction in the capelin fishing will fall on the Norwegian fishermen.

The Norwegian concession is not really due to big brother

to capelin, when that source was stopped. Last year more of them sought capelin in the Jan Mayen area only to find that the Russians, too, had been increasing their fishing there.

Not unnaturally they have asked their Government to protect their fishing interests around an island which is a sovereign part of Norway. The Russians could scarcely have any legal objection and in fact have so far remained quiet.

The Norwegian Government's hesitation derives from other political and strategic considerations, concerned more with a NATO ally, Iceland, than with the Soviet Union. Iceland's 200-mile zone would overlap that of Jan Mayen and a median line would have to be negotiated. When the Icelanders proclaimed their zone and precipitated the third "cod war" with Britain in 1975, the Norwegians accepted the zone at once but put in a reservation about Jan Mayen.

Moreover, some Icelandic politicians and fishermen have argued that Jan Mayen is not entitled to an economic zone and that the Icelandic continental shelf extends up to Jan Mayen territorial limits. It is possible that the capelin caught off Iceland are from the same stock as those found off Jan Mayen.

The Norwegian Government is very conscious of the fact that, each time the Icelanders feel that their fishing interests are threatened, domestic opposition to the NATO base at Keflavik, close to the capital Reykjavik, tends to revive. Norway does not want any obstacles to arise to NATO's current programme for improving its capacity to reinforce Norway in an emergency. Iceland has an important role in that programme.

Despite the pressure from its fishermen, the Norwegian Foreign Ministry has, therefore, adopted a cautious approach to the Jan Mayen issue. It has proposed that Norwegian and Icelandic marine biologists together examine the Jan Mayen capelin stock and its migratory pattern and it has told Norwegian fishermen that it needs more time for diplomatic soundings in Reykjavik.

A report from the biologists is expected by the end of May but it may take longer for the two governments to arrive at the compromise over fishing rights and the legal terminology which will have to precede the declaration of an economic zone around Jan Mayen.

Norway's sovereignty over a rocky volcanic island north-east of Iceland has never been disputed. But political and strategic considerations are forcing the Norwegian Cabinet to hesitate before declaring a protection zone around the island. William DuRforce reports.

Soviet side. The Norwegian fishery authorities argue that, if they do not allow the Russians to take mature cod in the Norwegian zone, they will only fish more young cod in their own zone, thereby further eroding the total Barents sea stock. The Norwegian fishermen claim that the main attrition of the cod stock is due to Russian fishing with nets of the small mesh.

But the worst blow to the Norwegian fishermen has been the agreement with the Russians over the Barents Sea capelin, a

tactics by the Russians but to the Norwegian authorities' recognition that, with the introduction of the economic zones, historical fishing performance has to give way to geography. This is an argument which would work to their advantage in the North Sea. It is, however, difficult to accept for the Norwegians who fish the Barents Sea capelin.

Bankers concerned at dollar's strength

By David Marsh in Basle

CENTRAL BANKS from the main industrial countries have reached an informal consensus that the dollar's strength on international foreign exchange markets has become somewhat exaggerated. This emerged during the regular monthly meeting of leading central bankers at the Bank for International Settlements which ended here yesterday.

The central banks of the U.S., Japan, West Germany and Switzerland have been intervening concerted in the past few days to brake the rise of the dollar. Dollar sales by the Germans and Swiss are said to have been particularly large.

Although generally pleased at the dollar's recovery since the end of last year, the central banks do not want it to go too far. The Bundesbank, Bank of Japan and Swiss National Bank have all expressed concern in Basle this week at the inflationary impact of higher import prices caused by their currencies' relative devaluations over the past few months.

One central banker at the meeting stressed that central banks have not reached any agreement on setting a "target zone" for the dollar. "But we are interested in seeing that the dollar's fluctuations—upwards as well as downwards—are kept within limits," he said. This was the reason for the Bundesbank's unusual open sale of dollars at the Frankfurt fixing on Monday, a measure agreed in advance with the New York Federal Reserve Board "to show that the dollar's advance had become overdue."

Although the pound, in contrast to the Deutsche Mark, Swiss franc and yen is very strong, Britain has also participated in the concerted action.

On Friday, the Bank of England ended its policy of holding down sterling through buying large amounts of dollars, and it may even have sold small amounts of dollars on Monday, according to one central banker.

WESTERN SAHARA RIVALRIES

No end to desert war

BY FRANCIS GHILES

HOPES IN RABAT and some Western capitals that a compromise could be reached in the Saharan war after the recent change of leadership in Algiers appear to have been dashed.

The newly elected Algerian president, Colonel Chadli Benjedid, has confirmed his country's support for the Polisario Front and its fight for the independence of the former Spanish territory of the Western Sahara, which Morocco and Mauritania divided between them four-and-a-half years ago. The late Algerian President, Houari Boumedienne backed Polisario though its cause has never been very popular in Algeria.

In many respects the Western Saharan conflict is a genuinely regional one. The leadership of the Maghreb is at stake which explains why neither Algeria nor Morocco is willing to back down. The suffering of the Saharawi, meanwhile, is real but of little concern to either major country.

King Hassan has staked much on Morocco's retention of its share of the former Spanish colony. He announced recently that Morocco was forming a National Defence Council to shape a new policy and described the military situation as being "on the threshold of the intolerable." This was a reference to the recent attack by a Polisario Land-Rover column against Tan Tan, a town well within Morocco itself. Never had Polisario hit an objective so deep in Moroccan territory.

The National Defence Council will include the leaders of all the country's political parties, including Abderrahim Bouabid, leader of the left wing USFP party who has steadfastly refused a Cabinet appointment.

While the King retains the support of all political parties and of his people, the cost of the war is bleeding Morocco.

So far the voices of dissent are confined to marginal left-wing groups. No dissent is apparent among the 89,000-strong armed forces but after the slap in the face received at Tan Tan, morale in some units is said to be low.

On the diplomatic front, the King's isolation has increased lately. While Spain has drawn closer to Algeria and Polisario in recent months, the list of countries which recognises the Saharan Democratic Republic grows steadily, albeit slowly. Tanzania did so before Christmas, a major breakthrough in Anglophone Africa, followed more recently by Vietnam and Ethiopia. Both Syria and Iran

have sent encouragement to Polisario, a very marked change in the case of the second. Before his downfall, the Shah had provided Morocco with a number of F5 fighters for use in the Sahara.

France has also shifted its position since last summer. President Giscard d'Estaing, at the time, approved the Madrid Agreement which, in November 1975, led to the partitioning of the Spanish colony. Before the coup in Mauritania last July, French Jaguar aircraft based in Senegal, repeatedly strafed

Mauritania, the new head of state, Colonel Ould Saïed sought every means to pull his country out of a war which has all but ruined it.

He moved closer to the Moroccans and tried to suggest that if Polisario wanted to set up an independent state in the Mauritanian sector of the Western Sahara he would see no objection. The King vetoed such a move, so Ould Saïed set Polisario leaders. That was greeted with strong objections from the pro-Moroccan faction in the Government.

At the end of 1978 Ould Saïed used the unexpected death of the late Algerian president to try and mend his fences with Algeria by sending a high level delegation to Algiers for the funeral.

Last week his powers were effectively emasculated and a new strong man emerged: Colonel Ould Bouceïf, who heads a newly set up Committee of National Safety. He will no doubt find the Gordian knot as difficult to untie as his predecessor.

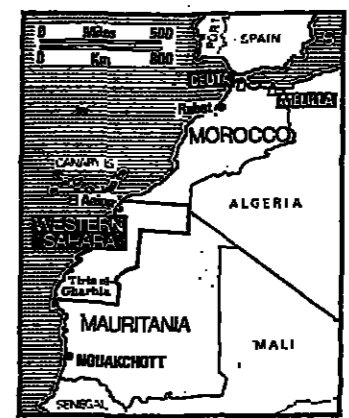
Most of the 8,000 Moroccan troops stationed in Mauritania are still there despite Hassan's promise last autumn to remove them by March 30 this year. Polisario guerrillas have meanwhile infiltrated the Mauritanian part of the Western Sahara since the ceasefire between the guerrillas and Mauritanian troops last July.

From there, they have been mounting increasingly bold operations against the Moroccan armed forces, hitting them not only in the northern part of the Sahara but in Morocco proper.

The Algerian leadership dare not stop supporting Polisario since the credo of the country's foreign policy is to provide support for liberation movements, all and sundry.

In Morocco all political parties continue to support the annexation of the Western Sahara but they are increasingly alarmed at what the left-wing newspaper Liberation recently called the "diplomatic setback of our national cause."

The deepening isolation of King Hassan internationally heightens the risk that war between his country and Algeria will come to be seen as the only way out of a tight corner. The observer must, however, credit the King with a remarkable capacity to survive. Neither he nor Algeria wants a war which could spell disaster. As this crisis approaches its fifth anniversary, it looks more insoluble than ever.



Polisario columns but today, with Mauritania having effectively left the battlefield, and no French lives endangered, the French are urging King Hassan to negotiate.

So eager is France to lend a helping hand that as King Hassan was leaving Paris at the end of February after long talks with Giscard, a senior French official announced that a Hassan-Chadli meeting was expected before long. Algiers was quick to pour cold water on such a proposal.

King Hassan is understood to feel bitter about the unwillingness of the U.S. administration to sell him the low-flying reconnaissance aircraft and helicopter he needs for his forces to tackle Polisario effectively. Washington has also shelved plans to sell Morocco a \$200m electronics surveillance system.

The U.S. does not recognise the annexation of the Western Sahara and since neither the Russians nor the Cubans are involved, Washington, no doubt, feels it has enough commitments elsewhere.

Mauritania meanwhile is left in the most unenviable position of all, effectively lacking the political and military weight to extricate itself from the conflict. After last July's coup in

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Zagreb, Zurich, and (from April 1979) Dublin. Your IATA travel agent or Swissair will be happy to give you further information; for instance on the best connections via Switzerland.



OVERSEAS NEWS

Iranian oil company purge

BY SIMON HENDERSON IN TEHRAN

THE BOARD OF the National Iranian Oil Company (NIOC) is expected to be changed in the next few days as part of the purge of officials associated with the Shah's former regime.

Uncertainty over the future of personnel resulted in a memorandum being issued by Mr. Nazih two weeks ago saying that no changes were being made until studies on the matter were ready.

These are now complete and the first changes are expected only to affect the board. But others later are likely to affect senior management levels.

Iranian exports are now averaging 2.4m b/d. Oil experts are not certain whether the total production figure of 4.3m b/d for Sunday represents a new general level or was an exception.

Iraq warns Soviet Union

By Ihsan Hijazi in Beirut

SADDAM HUSSEIN, Iraq's strongman, has issued a warning to all foreign powers, including the Soviet Union, against threats that may be aimed at Saudi Arabia.

Heavy Tanzanian barrage hits Uganda's capital

BY JOHN WORRALL IN NAIROBI

TANZANIAN ARTILLERY laid down the biggest barrage of the Uganda war yesterday, pumping shells into Kampala for about 90 minutes without a pause.

Ugandan rebels were said to be firing rockets into the populous suburbs, according to one diplomat. Casualty figures are not known, but a number of people were reported to have been killed and wounded.

Bondo regiments, but only reached four miles down the Entebbe road from Kampala. Tony Avingan, an AF correspondent, who flew to Entebbe with Tanzanian forces last week has reported on the situation there. He writes:

Cracks in Arab front for punishing Egypt

BY ANTHONY McDERMOTT RECENTLY IN AMMAN

TWO FRONT-LINE Arab States bordering Israel, Syria and Jordan, have reacted with significant differences to the resolutions passed at the Baghdad conference last month to isolate Egypt politically and economically.

By contrast, Jordan feels deeply "bitter" at being "betrayed" by President Sadat. Jordanians regard the Baghdad resolutions as a means of isolating the Egyptian leader to reconsider the treaty and to return to the pan-Arab fold.

The Baghdad resolutions have undoubtedly been of greater benefit to Syria than Jordan. First, they have given Syria, which is apprehensive about being drawn into a fight with Israel, particularly in Lebanon where Damascus has 28,000 troops, a specific diversion to concentrate on. That is the complicated task of withdrawing the Arab League and other economic and political organisations from Cairo.

Secondly, the display of Arab unity has provided some sort of an alternative to an even closer alliance with the Soviet Union, which was being actively considered. Thirdly, building on the base of the proposed union with Iraq, Syria now senses that it has regained, at the expense of its long-standing rival Egypt, its rightful position as leader of the Arab world.

Rhodesia bombs guerrilla bases

BY TONY HAWKINS IN SALISBURY

RHODESIA yesterday announced a new bombing raid against Patriotic Front guerrilla targets near the Zambian capital of Lusaka.

The communiqué, from Combined Operations HQ in Salisbury, same as white, coloured and Asian voters went to the polls in the four-contest European constituencies, in the first stage of Rhodesia's majority rule elections.

the elections too late, or have decided to hold their hand and step up the war after the many reservists mobilised for the election have been stood down. Meanwhile, remarks reported to have been made by Mr. Francis Fynn, Conservative foreign affairs spokesman, suggesting that a Thatcher Administration would recognise the new State of Zimbabwe Rhodesia and lift economic sanctions, have been welcomed.

China guidelines reassure West

BY COLINA McDUGALL

GUIDELINES FOR China's new retrenchment in economic development have begun to emerge which should reassure westerners that although Peking may have postponed or cancelled a number of contracts and deals, it intends to maintain trade, co-operation and introduction of advanced techniques from abroad as far as possible.

Priority now is to go to investment which can produce a quick return. Light industry is getting a larger slice of funds, while within heavy industry coal, power, oil, transport and construction material plants are to come first. Steel, which has never performed efficiently in China is being down-graded.

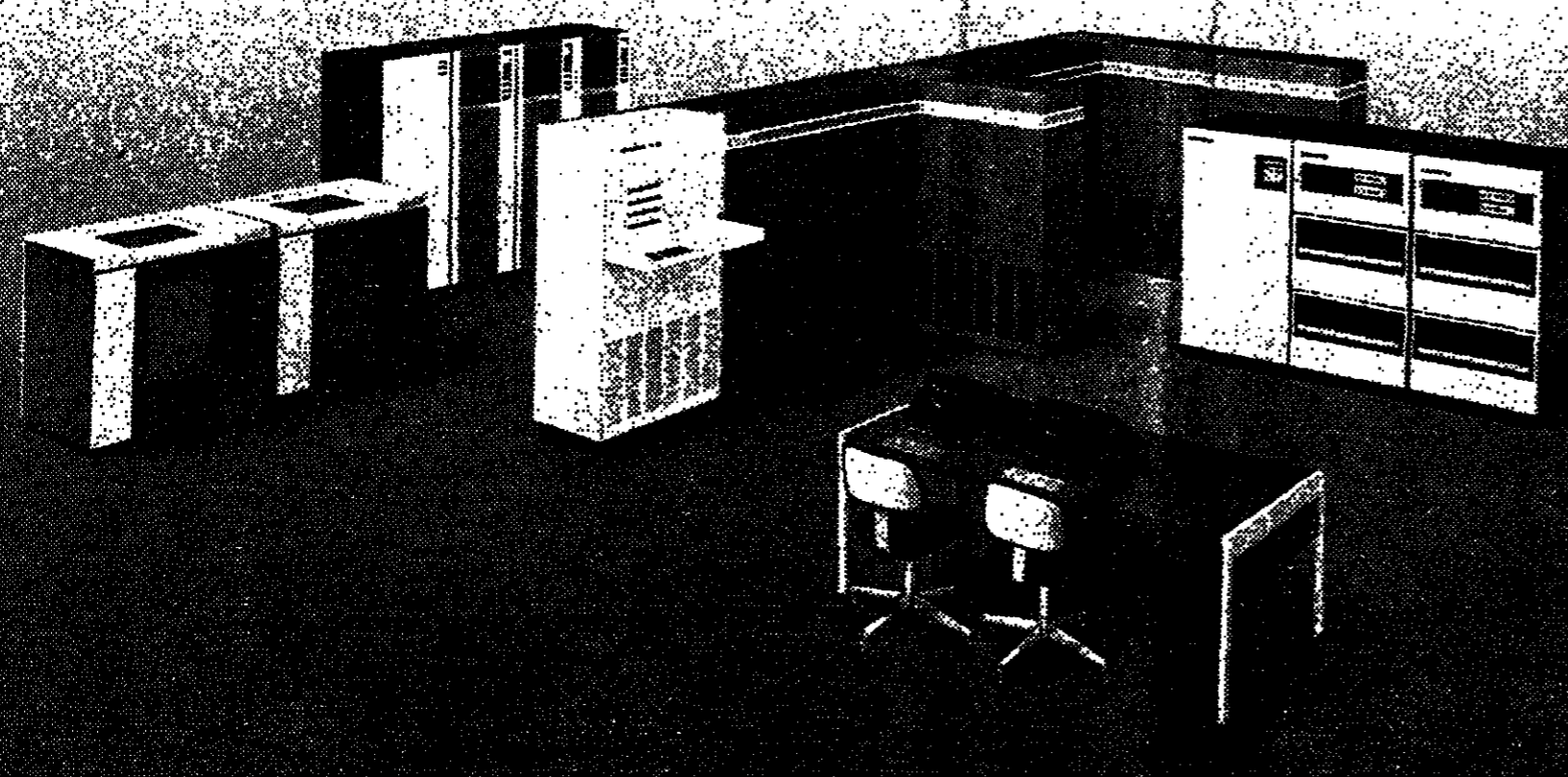
This was underlined by a report from Hong Kong yesterday which said that instead of building a China of new hotels, Peking is planning to modernise the present ones. Shanghai Radio said recently that waiting for imports is wrong, though advanced skills, experience and management from abroad must still be absorbed.

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NOTICE OF REDEMPTION To the Holders of Amoco International Finance Corporation 8% Guaranteed Sterling Debentures Due 1987

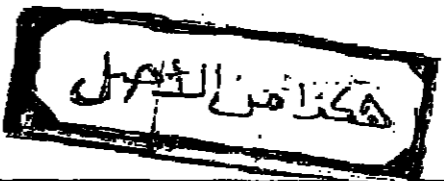
NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 1, 1972, under which the above-described Debentures were issued, Morgan Guaranty Trust Company of New York, as Trustee, has selected for redemption on May 1, 1979, through operation of the sinking fund, at the principal amount thereof, £1,000,000 principal amount of said Debentures, each in the denomination of £500 bearing the serial numbers with the prefix letter "Q" as follows:

- Outstanding Debentures with serial numbers ending in any of the following two digits: 00 10 20 30 40 50 60 70 80 90 01 11 21 31 41 51 61 71 81 91 02 12 22 32 42 52 62 72 82 92 03 13 23 33 43 53 63 73 83 93 04 14 24 34 44 54 64 74 84 94 05 15 25 35 45 55 65 75 85 95 06 16 26 36 46 56 66 76 86 96 07 17 27 37 47 57 67 77 87 97 08 18 28 38 48 58 68 78 88 98 09 19 29 39 49 59 69 79 89 99

On May 1, 1979, the Debentures designated above will become due and payable at 100% of the principal amount thereof (i) in such coin or currency of the United Kingdom as at the time of payment shall be legal tender for the payment of public and private debts (herein called "pounds sterling") or (ii) at the election of the holder of such Debenture, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts (herein called "U.S. dollars").

AMOCO INTERNATIONAL FINANCE CORPORATION

Table with columns for serial numbers and corresponding values for redemption.



Lance 'helped oilmen' in bribes case

BY OUR WASHINGTON CORRESPONDENT

MR. BERT LANCE, President Carter's former Budget Director, used his White House connections last year to arrange a meeting to help American oilmen over a Qatar oil concession which they had earlier paid a \$1.5m bribe for, according to the U.S. Justice Department.

The Department in filing its suit against the two American businessmen connected with the Holcar Oil Corporation, alleged the bribe payment was made to Mr. Ali Jaidah, while he was Qatar's Director of Petroleum Affairs. Mr. Jaidah subsequently served as Secretary General of the Organisation of Oil Exporting Countries (OPEC) from 1976 to 1978, and is still with the organisation.

Both defendants, Mr. Eugene Holley and Mr. Roy Carver, have agreed to a consent order settling the suit, which forbids them from making any further payments of this nature to foreign officials.

The Justice Department said the \$1.5m payment was made through a Swiss bank account to Mr. Ali Jaidah, who left his Qatar post shortly after. In early 1978, Mr. Jaidah informed the Holcar Company that its concession had been terminated.

Mr. Holley then allegedly sought Mr. Lance's help, and the former Budget Director, who was forced to resign in 1977, arranged a meeting for Mr. Holley with State Department officials.

Mr. Lance has not been



TOP: Mr. Ali Jaidah, and below, Mr. Bert Lance.

charged in this suit, but a federal grand jury in Atlanta is investigating his banking practices while he was head of the National Bank of Georgia. In addition, there is also a special investigation of the allegations that Mr. Lance improperly gave preferential loan treatment to President Carter's family peanut business.

Trudeau promises new oil pipeline

A LIBERAL Government would be prepared to spend a total of \$64bn (£1.66bn) on new oil initiatives if re-elected. Prime Minister Pierre Trudeau is expected to announce expenditure of \$35bn on an oil pipeline running south from Skagway, Alaska, and another \$29bn on a fourth project on the Athabasca oil sands in northern Alberta.

The pipeline would be built to avoid having oil transported by tankers down the west coast, with its high risk of catastrophe and pollution. Last year the Canadian Government turned down a proposal to build a \$750m oil pipeline to Edmonton from coastal Kitimat, British Columbia.

Meanwhile, the number of unemployed in Canada in March rose to 976,000 from 954,000 according to the Government statistics branch.

Gate shuts on Pakistan's nuclear path

BY DAVID BUCHAN IN WASHINGTON

A LEADING Pakistani nuclear scientist works for a spell at the gas centrifuge uranium enrichment plant in the Netherlands run by Ureco, a Dutch-German-British consortium, then returns home. Later, Pakistani buying missions spread out to West Germany, the Netherlands, Britain, even Japan and the U.S. in search of tubes of special alloys, high-frequency electrical converters, and certain other items.

Singly, these events hold no dark significance, but taken together, particularly when some of the items bought are apparently shipped back labelled textile equipment, suspicion begins to form.

Add in two further facts. France last year dropped, under U.S. pressure, its plan to sell to Pakistan a reprocessing plant to separate plutonium out of spent uranium. Second, Pakistan has no civil nuclear power plant that could use enriched uranium — its only operating reactor is a Canadian-built heavy water plant which uses natural uranium.

By early this year the State Department had come to the conclusion that Pakistan was building its own uranium enrichment plant — The Central Intelligence Agency has since checked out the site — with the very strong possibility that it intended to produce its own bomb within three to five years. But still the State Department dithered, conscious of the U.S.'s weak leverage on Pakistan and of the importance of the country to the U.S. in the wake of recent events in Iran and Afghanistan.

It sought assurances through diplomatic channels, even sending Mr. Warren Christopher, its Deputy Secretary of State, to Islamabad in early March. But evidently what the Pakistanis had to offer in the way of international safeguards was not enough. Rumours percolated from the European Press through to the Washington Press and the Department's hand was forced last Friday.

The U.S. has cut off all development aid to Pakistan — worth \$40m in the year ending

this October and \$45m in the next fiscal year — plus a tiny amount of military aid, under an amendment to its 1978 nuclear non-proliferation Act which bars aid to states that do not allow international inspection of enrichment facilities.

Pakistan has angrily denied any intention of building a bomb, ascribing the U.S. move in part to a Zionist-inspired plot to stop Pakistan sharing advanced nuclear research with fellow Islamic countries.

U.S. officials feel that the aid ban — the most dramatic step yet taken under the Carter policy of actively discouraging the spread of nuclear weapons to countries that do not already have them — will caution suppliers of enrichment plant components that have, wittingly or not, done business with Pakistan. To this end, they have contacted other governments, including Britain's, and also claim to be tightening up their own export policy.

Otherwise, they admit the timing is terrible. Pakistan, in convulsions after the hanging

of its ex-Prime Minister Zulfikar Ali Bhutto (incidentally, a strong advocate of a Pakistani bomb both while in office and in jail), is in the worst possible position to react to U.S. pressures.

The U.S. now believes that Pakistan has been contemplating an enrichment plant, ever since the Indians exploded a "peaceful nuclear device" in the nearby Rajasthan desert in 1974 and all through its negotiations with the French.

But the U.S. action is likely to put Prime Minister Moraji Desai of India under renewed pressure to continue his nuclear programme where the 1974 explosion left off — just at a time when the U.S. is hoping to negotiate a new nuclear safeguards agreement with the Delhi government.

Pakistan is the biggest test so far of President Carter's non-proliferation policy. But other tests loom. The 1978 Act provides for a tightening of restrictions two years after its passage, in March 1980.

The U.S. will be required to cut off nuclear fuel supplies to non-nuclear weapons states unless they agree to "full scope safeguards" on all fuel, no matter what its origin.

Opponents of Mr. Carter's policy say these heavy handed threats have shaken non-nuclear states' faith in U.S. reliability as a supplier, and have undermined the policy's main plank: that non-nuclear countries should eschew the potential dangers of reprocessing or highly enriching fuel, because Washington will keep on supplying them with low enriched uranium out of his enormous stockpile. It is also argued that it is not operating foreign built plants that non-nuclear countries get the know-how to build bombs, by having to do it all themselves.

The Administration answer is that knowledge about bombs cannot be stemmed. The only effective way is to deny countries, intent on creating their own nuclear panopoly, the wherewithal to do so.

BARCLAYS BANK HELPS INDONESIA (AND PYE TVT AND MARCONI) DEVELOP A 3000 MILE TV NETWORK

Barclays Bank International provided finance for the Indonesian Government to expand its Regional television services into a National satellite linked network. Major contracts were awarded to the British companies Marconi Communication Systems and Pye TVT, who are world leaders in the design and installation of television systems.

Barclays in Jakarta was involved

in setting up a loan to Indonesia in support of the contracts which brought national television to Java, Sumatra and Kalimantan.

We could help because we have our own people and our own offices world wide where they are needed for international business.

We can help you in New York, Paris and Moscow. In Hong Kong and Sydney.

And in Tokyo, Frankfurt and Abu Dhabi...

The Barclays International group is in more than 75 countries. In all five continents. We have more branches in more countries than any other bank in the world.

We help most of the world's successful international companies. Somewhere there is a market where we can help you.



BARCLAYS International

Teamsters talks near agreement

BY JOHN WYLES IN NEW YORK

TEAMSTERS' UNION leaders yesterday raised hopes of an early end to the 10-day shutdown of a large portion of the U.S. trucking industry. Before negotiations resumed yesterday morning, Mr. Frank Fitzsimmons, the union's president, said that he hoped to secure an agreement with the trucking employers sometime during the day.

At the end of Monday's resumed peace talks, which went on to the early hours of yesterday morning, Mr. Wayne Horvitz, Director of the Federal Mediation and Conciliation Service, reported that some progress had been made but cautiously stressed that problems still remained.

While Mr. Fitzsimmons's optimism could have been a tactical ploy, what few details are known indicate that the gap between the two sides is not large — possibly no more than 2 per cent on the total cost of the contract over three years.

But the trucking employers will be anxious for Government endorsement of any pact so that they can be sure of being allowed by the Interstate Commerce Commission to recoup

higher employment costs through freight increases. The last fairly clear indication of the Government's position was that it would tolerate a deal costed by the employers at more than 30 per cent over three years. After warning its pay restraint guidelines to exclude certain payments, Administration sources were claiming that these proposals were broadly in line with the anti-inflation policy.

But deadlock arose over the union's demand for semi-annual cost of living payments for its 300,000 members instead of the annual increases on offer. The shutdown, which began as a selective strike and was extended by an employers' lock-out, is the longest in the industry's history. Although the car industry is hardest hit, some of the impact is being softened by the fact that some trucking companies covered by the national agreement are still operating.

According to Mr. Fitzsimmons, 1,000 of the 11,000 companies which operate the agreement have bought peace by signing agreements to operate contracts which apparently meet the union's unsatisfied demands.

Arentina prices rise

BUENOS AYRES — The cost of living in Argentina, a major concern of an increasingly restive labour movement, rose 7.7 per cent in March, the Economy Ministry has reported. The increase, led by sharp rises in the costs of school supplies, medical care, clothing and construction, put the consumer price index at 21,828, compared with a base of 100 in 1974. The index has risen 167.3 per cent in the past 12 months.

Wholesale prices rose by 7.9 per cent in March. Announcement of the figures, which put inflation in the first quarter of the year at 30.6 per cent was expected to give new impetus to demands by unions seeking hefty wage increases. Cost of living increases of 12.8 per cent in January and 7.4 per cent in February prompted sporadic strikes by workers AP-DJ

Accident 'raises new reactor problems'

BY OUR WASHINGTON CORRESPONDENT

THE Pennsylvania nuclear accident raises technical and procedural problems for about 43 of the 73 operating reactors in the U.S., and was not simply caused by human error on the part of the company operating the Three Mile Island reactor, a key Government safety committee has concluded.

The Advisory Committee on Reactor Safeguards has made certain far-reaching recommendations to Mr. Joseph Henrie, chairman of the Nuclear Regulatory Commission. Mr. Henrie yesterday promised Congress that his agency would "take whatever steps are necessary" to prevent accidents such as that in Pennsylvania occurring again.

The committee's key recommendation is that all pressurised water reactors should be provided with new instruments to give operators "an unambiguous indication" of the level of the fluid in the reactor vessel. According to the NRC, the

accident at Three Mile Island was greatly aggravated when an erroneous pressure reading led an operator there to turn off the emergency cooling system.

Overheating led to considerable damage to the reactor's fuel core, and to subsequent radiation, the NRC adds.

Pressurised water reactors are one of the two basic types in the U.S. and companies building this type include Babcock and Wilcox, makers of the Three Mile Island plant, and Westinghouse.

General Electric, by contrast, specialises in boiling-water reactors, which do not appear to face the same problems.

The Governor of Pennsylvania has declared the crisis at the damaged Three Mile Island plant over, and has advised pregnant women and young children that they can now return to their homes in the area.

He had previously advised them, on the NRC's advice, to keep five miles away from the plant because of the danger of radiation.

WORLD TRADE NEWS

Iran continues cutback of Western arms contracts

BY SIMON HENDERSON IN TEHRAN

IRAN'S NEW Government is further pruning its orders for defence equipment. The bulk of its remaining American contracts are being cancelled as are deals with West Germany and Holland.

The U.S. has been told that two destroyers, a Tang-class submarine and consignments of Phoenix air-to-air missiles and Harpoon ship-launched missiles worth a total of \$1.5bn (£725m), are no longer needed.

West Germany and Holland also understand that their shipyard orders are cancelled.

The Dutch company Rijn-Schelde-Verolme (RSV) was to build eight frigates worth at least \$800m. West Germany was to make four similar frigates at a later date, and had a more immediate order for the HDW shipyard of Kiel for six submarines worth \$500m.

The cancellations mean that the only foreign defence contracts remaining are residual ones with the U.S. of less than

\$1bn covering spare parts and the supply of some technical services.

At the beginning of the year Iran's overseas order book was worth about \$15bn in defence equipment. About \$12bn worth of deals with the U.S. and Britain were cancelled at the beginning of February in the last days before the revolution.

Defence experts here said the cancellations reflected the complete lack of money and of skilled manpower in Iran. The armed forces efficiency has been seriously reduced since the revolution by desertions and a breakdown in discipline and normal chains of command.

In two cases the cancellations have come at the last minute. The Tang-class submarine was already commissioned and was on trials with a joint Iranian-American crew. The destroyers were also near delivery.

Revolutionary chaos has meant that the staff in the Iranian Ministry of Defence

has been faced with an avalanche of inquiries from Western companies and Governments wishing to know the state of their contracts or seeking to impose penalty clauses.

Those involved say the administrative machine has been near paralysis.

Policy has also been confused. Two weeks ago, Admiral Ahmad Madani, the then Minister of Defence, indicated that Iran was still interested in its remaining defence contracts.

The U.S. is intending to sell Israel some of the F-16 aircraft originally destined for Iran, as part of its support for signing a Middle East peace treaty. No formal discussions have yet taken place on Iran's earlier suggestion that America buy back F-14 Tomcat fighters, now too sophisticated for its purposes. Grumman, the aircraft's manufacturer, is resisting the suggestion, as it would mean its own future sales to the U.S. navy might be jeopardised.



Mr. Bernard Lathiere (left), president and chief executive of Airbus Industrie poses with a Superman T-shirt which was presented to him by Sir Freddie Laker, chairman of Laker Airways, after the signing of a £250m contract for 10 European Airbus.

Laker signs £250m Airbus deal

BY LYNTON McLAIR

SIR FREDDIE LAKER, chairman and managing director of Laker Airways yesterday ate his words describing the European Airbus as a "failure" when he signed a £250m contract for 10 of the aircraft.

His Airbus order is the first to be placed by a British airline and comes seven years after Sir Freddie said the Airbus was like a camel—built by a committee—and would be a failure.

There are now 187 firm orders and 97 options for the airliner and Sir Freddie was given a bold reminder yesterday that in January he admitted he had been wrong.

M. Bernard Lathiere, president of Airbus Industrie, signed the Laker contract, accepted a £225,000 deposit from Sir Freddie and gave him a blown-up photograph of his original note about "failure" with a signed footnote by Sir Freddie saying "I was wrong."

But Sir Freddie was not prepared to let the champagne ceremony at the Savoy, London go without a renewed call for lower air fares, this time in Europe.

He threatened to take the British and other European governments to the European

Court of Justice for contravening the Treaty of Rome which stresses the need for free competition in the EEC.

Sir Freddie said there is no such thing as "free competition" in the airline business in Europe.

He intends to press for the same freedom of competition in European air travel as led to cuts in fares on the north Atlantic.

Laker Airways announced its decision to buy ten European A-300 B-4 Airbuses at last year's Farnborough Air Show. The company also signed a contract, last year, for five more McDonnell Douglas DC-10s, after the Bank of England approved Laker's financial arrangements for the contract.

The DC-10s were financed through the Japanese Mitsui Corporation's Tokyo headquarters. Laker has not given details of funding for the Airbus order.

The Airbus contract values the aircraft at an average of £20m over the period of delivery to the early 1980s, with a further £50m for spares and training.

The Laker Airbuses will fly on the airline's inclusive holiday tour routes in

Europe, operating from Gatwick Airport, Surrey, Manchester and the company's continental base in West Germany.

● Sabena Airlines transported 2,027,126 passengers in 1978, the first year the passenger load of Belgium's national airline crossed the 2m mark. AP reports from Belgium.

The airline's passenger and freight load factor reached 60.4 per cent last year—up 2.3 per cent compared with the previous year.

Meanwhile Antony Gibbs Holdings has concluded a loan agreement for £7.2m with Cathay Pacific Airways of Hong Kong. The loan will be used to assist Cathay in making payment to Rolls-Royce for RB211-524 engines and spares being supplied for Boeing 747 aircraft to be delivered to Cathay in July. The loan, which will be guaranteed by the Hongkong and Shanghai Banking Corporation, is being funded by Antony Gibbs, Lazard Brothers, the Mercantile Bank and the National Westminster Bank.

Cathay recently announced the purchase of three 747s and has options on a further three 747s.

Austrian Chancellor still hopeful of Ford or GM go-ahead

BY PAUL LENDVAJ IN VIENNA

CHANCELLOR Bruno Kreisky is still optimistic that one of the two major car projects now under consideration by Ford and General Motors will be undertaken in Austria.

When asked about the reported statement by Mr. Henry Ford to put off a final decision about the location of a new \$1bn (£480m) Ford plant, Dr. Kreisky merely said that such a delay would also give Austria a free hand to negotiate about a similar big project with General Motors.

The Chancellor, in an interview, said he was optimistic about Austria's chances. Even before the Ford postponement, General Motors executives were studying various sites for smaller plants in Styria and Carinthia. The labour peace in Austria, coupled with a reported offer of investments grants totalling some Sch 4.5bn (£170m), is evidently regarded by American auto executives as a key argument in favour of choosing Austria.

Meanwhile it is also thought here that Ford's decision to put off a final decision may also be linked with a reassessment of the entire project in view of the oil price increases.

Furthermore the forthcoming election here on May 6 is also regarded as a stumbling block, since Mr. Ford is not exactly keen on giving propaganda trump cards in the hands of a Socialist Government.

Meanwhile Mr. Kurt Horowitz, the economic commentator of the leading Austrian Daily, Die Presse, has for the first time publicly expressed doubts about the economic advantages of the entire project.

He referred to such arguments as the all price problems, the dependence on foreign know-how and marketing, and the question whether Austria should opt instead for different and brain-intensive technologies. He also added that Sch 4.5bn worth of grants could be better spent on financing much needed structural shifts in Austrian industry.

Komatsu anti-trust hearing

BY RICHARD C. HANSON IN TOKYO

JAPAN'S FAIR Trade Commission (FTC) is to hold hearings on whether a contract between Komatsu and Bucyrus-Eri, a Wisconsin-based power shovel manufacturer, violates the anti-monopoly law. The FTC began its investigation last year.

It has been reported that Komatsu, the world's second largest manufacturer of construction machinery, feels the contract, which established a joint venture production company in 1963, is hindering its ability to do business. Komatsu is reported to have brought the attention in question to the contract of the FTC though Komatsu itself denies this.

The Komatsu-Bucyrus joint venture produces power shovels for use in mining and other similar operations. Komatsu entered the agreement at a time when it wanted to use U.S. technology to help establish itself rapidly. However the contract limits Komatsu's ability to export products to other countries and also binds it

through Bucyrus patent rights. It is understood that Komatsu now wants to free itself of these limitations, particularly when potentially huge markets like China are opening up, offering opportunities for products developed by Komatsu itself.

The FTC investigation is proceeding under provisions in the anti-monopoly law which give it the power to review international contracts for clauses which represent unfair trading practices. Normally, the contracts are submitted to

review within a month after signing and offending clauses are then eliminated before actual implementation.

The FTC has the power to order the elimination of contract clauses found in violation of the law. There has been a previous case involving a foreign company where a contract was found to be in violation of the law. In this case, the FTC won a Supreme Court ruling that the foreign company did not have the right to participate in the hearings.

taken by Japan, the major competitor in the Korean market. Mr. Choi told the U.S.-Korea Economic Council that Korea realised a trade surplus with the U.S. of \$587m (£240m) on exports of \$3.7bn and imports of \$3.1bn in 1978. But this trend, he added, is being reversed as Korea has registered a trade deficit of \$32m in the first two months of this year. AP-DJ

U.S. urged to sell more

NEW YORK — Mr. Gale Kyu Choi, South Korea's Minister of Commerce and Industry, has urged U.S. businessmen to sell more to Korea to help correct the trade imbalance in favour of his country.

He said Koreans have the impression that not enough is being done by American businessmen to sell to Korea, compared with the very aggressive sales drive being under-

Final GATT agreement falls short of target

BY BRIJ KHINDARIA IN STRASBOURG

INDUSTRIALISED and developing countries participating in the Tokyo Round of trade negotiations meet in Geneva today in an attempt to conclude the five-year-old talks aimed at restructuring world trade.

The nations meet in the trade negotiations committee (TNC) of GATT. Before the TNC meeting there will be a series of separate accords covering the agreements which have been reached on reductions in tariff levels, removal of non-tariff barriers to trade, improvements in agricultural trade, and additions to the legal framework governing GATT.

But the TNC itself is likely to be less conclusive in its results than originally expected. In negotiations this week leading up to the TNC developing countries, backed by the Common Market, obtained significant changes in the text of a document which will be signed

by TNC participants, either today or tomorrow.

These changes water down the strength of the document concluding the Tokyo Round negotiations. For example, a form of words saying that the document "embodies the final substantive results" of the negotiations has been altered to say simply that the document embodies "the results" of the negotiations.

As formulated so far the document can be interpreted as leaving the door open for any delegation to claim that negotiations on the texts annexed to it are not complete. In addition it does not oblige governments to begin the process of approval.

The delegations have, however, agreed that rectifications made to the texts will be of a "purely formal character" and will not affect their "substance and meaning."

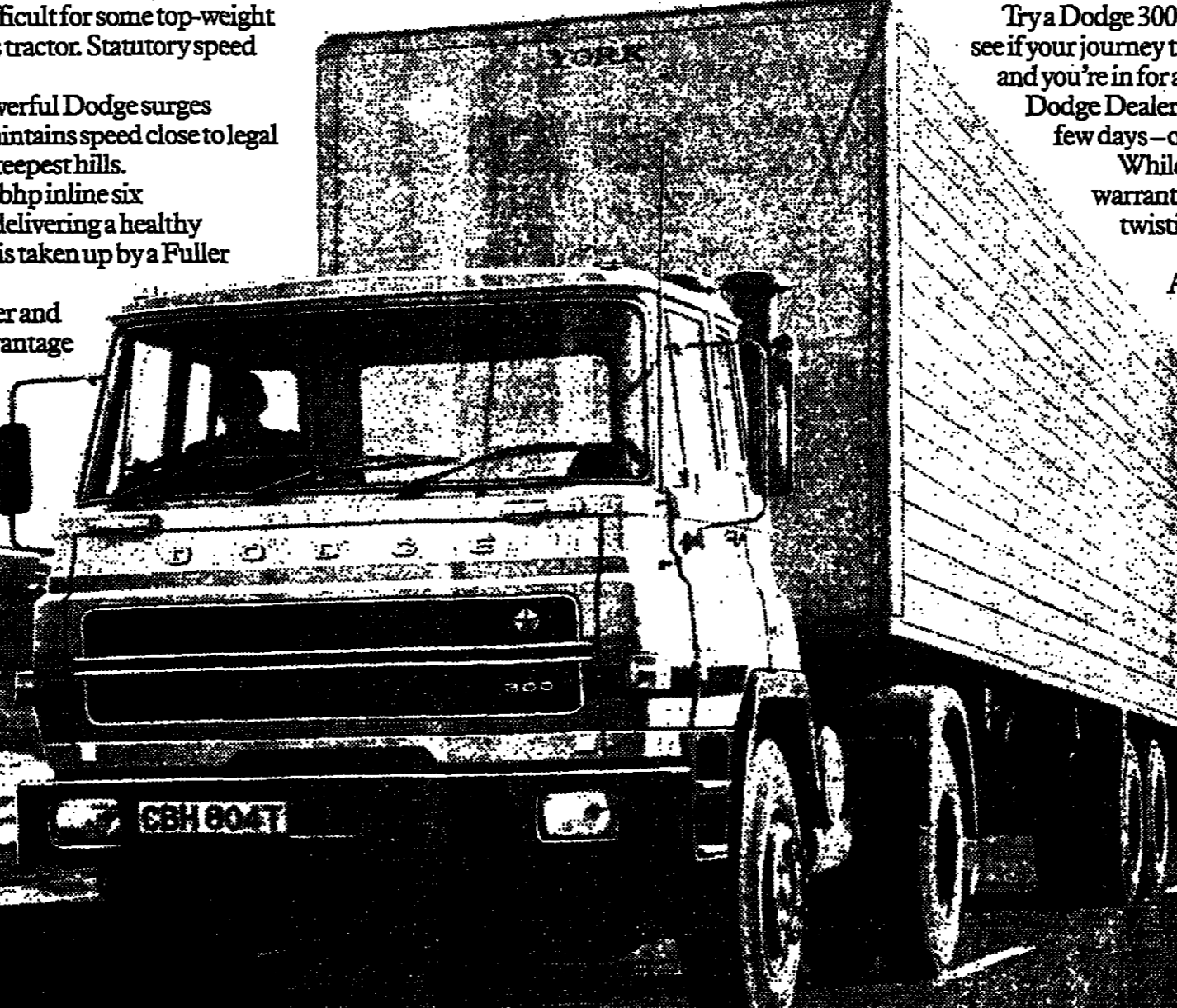
It eats up motorway miles and has mountains for breakfast.

On the flat, open road, it's not too difficult for some top-weight trucks to keep up with a Dodge 300 Series tractor. Statutory speed limits enable them to stay in touch.

But once the climbing starts, the powerful Dodge surges further and still further ahead. It easily maintains speed close to legal limits, even on some of Britain's longest, steepest hills.

Source of the Dodge's power is a 266bhp inline six turbo-charged diesel of 12 litres capacity, delivering a healthy 8.3bhp/ton at 32 tons gross weight. Drive is taken up by a Fuller RTO 9509A nine-speed gearbox.

By the end of the day, that extra power and performance add up to a considerable advantage—whether you see it as time saved or miles gained. And these days, even marginal differences are of critical importance to operating costs.



Try a Dodge 300 Series tractor on any route in the UK, and see if your journey times can be cut. Check on fuel consumption, and you're in for another pleasant surprise. Just contact your Dodge Dealer and tell him you'd like a demonstrator* for a few days—or longer.

While you're at it, ask about the unique two-year warranty. If you're impressed, don't be shy about twisting his arm for a competitive price.

And fast delivery? A piece of cake.

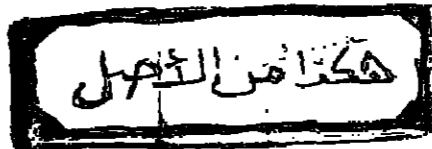
*Consult your local dealer for full details of all conditions relating to the use of Dodge demonstration vehicles.



DODGE 300 SERIES



كوماتس العنجل



Bad debts and business failures show increase

BY TIM DICKSON

BAD DEBTORS and business failures during the first three months of 1979 were much more numerous than in the previous three quarters.

Manufacturers, notably in engineering but also in clothing and furniture and upholstery, were worst affected.

These are the main conclusions of the latest figures from Trade Indemnity, Britain's largest underwriter of credit insurance, which compiles statistics on the irrecoverable debts and business failures affecting its policyholders.

Altogether, 390 failures were notified to Trade Indemnity in the first quarter of 1979, against 308 in the last three months of 1978 and 340 and 350 respectively in the second and third quarters of last year.

The latest figure, however, compares favourably with the 438 failures reported by Trade Indemnity in the comparable period of 1978.

Building and construction and the engineering and metal businesses, with 124 and 62 failures respectively, are the largest single components in the latest total of failures. Engineering and metals increased on the comparable period last year.

Trade Indemnity's figures show fewer failures in 1977 and 1978 than in the previous two years, particularly at the retail

and wholesale end of the furniture, carpet and clothing trades.

Retailing and wholesaling continue to reflect the consumer boom with a further drop in the number of failures in the first quarter of 1979.

Trade Indemnity, which provides an ancillary debt-collecting service, also reports a sharp upturn in the number and value of accounts referred for collection over the latest period.

Altogether 1,535 accounts, worth £1.9m, were notified to the company, the highest totals since the third quarter of 1977.

Law Society publicity will cost £400,000

BY JAMES McDONALD

THE LAW SOCIETY yesterday launched its largest advertising campaign, costing £400,000, and also a new consumer magazine, Exchange Contracts, designed for the home buyer.

The advertising will be entirely in the national and regional Press. Designed by Saatchi and Saatchi, it will provide detailed, practical information on the services solicitors can offer.

Exchange Contracts, an expensive glossy publication, will be produced quarterly by a new company, Home and Law Magazines, in conjunction with the Law Society. More than 200,000 copies will be given free by conveyancing solicitors in

England and Wales to clients buying their own homes.

The publication, which will also be on sale for 50p at book-stalls, will outline legal pitfalls facing home buyers and contain articles by experts on home improvements, modernisation and furnishing.

Hospital plan

WORK ON a new £10m general hospital in Lincoln will begin in September, the Trent Regional Health Authority announced yesterday. The main buildings, on a site next to Lincoln County Hospital, are due for completion in 1984.

Gambling laws 'hinder lotteries'

By Colleen Toomey

BRITAIN'S gambling laws are a hindrance to local authority lotteries according to Mr. Horace Cutler, leader of the Greater London Council. He said yesterday the upper limits on prize money should be lifted if London Lotteries was to be more profitable.

The lottery, made up of London's 20 local councils, celebrated its first anniversary yesterday with the launch of a new-style lottery ticket.

Littlewoods, the Liverpool-based pools giant, was at the second year launch — selling its "new-image" tickets to London mayors from the participating boroughs. Each 25p ticket carries a 10 to 1 chance of a prize — from 50p to a £1,000 jackpot.

In the last year local lotteries raised £2m for various community projects — money, made at a time when the future of such lotteries became increasingly uncertain.

The GLC has so far aided the Old Vic appeal, contributed towards saving Captain Scott's ship, the HMS Discovery, and sponsored a London art and photographic competition.

Local authorities get 40 per cent of lottery revenue. A further 40 per cent goes on prizes and the remaining 20 per cent covers the organiser's expenses and commission.

Neave assassins could still be in Britain, says Yard chief

BY COLLEEN TOOMEY

SCOTLAND YARD is working on the theory that the terrorists who planted a bomb in the car of Mr. Airey Neave are still in Britain.

Mr. Neave, Tory Shadow Northern Ireland Secretary, died after the bomb went off in his car as he left the underground car park at the Commons on March 30.

Artists' impressions of four men the Yard wishes to trace were issued yesterday and will be sent to police in the Irish Republic and forces throughout Britain.

Commander Peter Duffy, head of the anti-terrorist branch, said yesterday: "I believe that one of these men could have been the bomber, or there could have been more than one."

He appealed to boarding-house landladies and small hotel-owners, particularly in Pimlico and Victoria, to contact the police if they recognised any of the men from their impressions.

The bombers, he added, might have been living in London for some time in a "safe" house. He asked people who rented accommodation to see if they recognised the artists' impressions.

The bomb was a two-stage device incorporating a time-delay mechanism of up to 12 hours and an inertia tilt switch. The clock opened the electrical circuit to allow a mercury contact to operate when the

vehicle was at an altered angle, such as the ramp of the Commons car park, or because of heavy braking. It was small, the Commander said, about the size of a dictation cassette, and contained not more than 1lb of military-type explosives.

Cmdr. Duffy warned people who thought they were potential targets not to park their cars unguarded in the street. He advised anyone who felt vulnerable to lock his car in a garage and check underneath it before driving.

General Accident drops crash claims scheme

BY ERIC SHORT

THE GENERAL ACCIDENT Group, the largest motor insurer in the UK, has abandoned an experimental scheme to speed up the reporting and settlement of motor accident claims because it failed to get the support of other insurers.

General Accident started its experiment in 1974 by asking 70,000 policyholders in the South West to keep an agreed statement of facts form in their cars and fill it in, with the other driver involved, after an accident.

The form was based on the European accident statement used successfully in France, West Germany, the Netherlands, Belgium and the Irish Republic. It provided a basic record of agreed facts, such as names and addresses of drivers, owners,

witnesses, direction of travel of the cars at the time of the accident and their position after impact. The other driver would send a copy of the completed form to his insurers. Even if he refused to co-operate, the form was still useful for recording facts on the spot.

General Accident says that in most accidents where it was the insurer for both motorists, the forms facilitated the settlement of claims. But other insurers were reluctant to support the scheme, mainly because of costs and the existence of current claims agreements between UK insurers.

Mr. John Sheather, assistant general manager (UK), said the company was still enthusiastic, and believed that a similar scheme would eventually be implemented.

Engineering jobs boost for Northern Ireland

MORE THAN 100 new jobs are expected to result from a joint investment in an Ulster engineering company by a U.S. corporation and the Northern Ireland Development Agency.

Mr. Ralph Ehrmann, chairman of Clabir Corporation of Connecticut, has signed an agreement with Mr. Roy Mason, Secretary of State for Northern Ireland, for an investment in Everton Engineering, the Newtownabbey-based engineering company.

Everton, which handles heavy fabrication work, and makes equipment for the power generation industry, is part of Wharton Engineers, of Eistree, London.

Clabir and NIDA will invest new equity capital in Wharton Everton as part of a major re-financing of the companies.

Winter sea link to Scandinavia

MR. J. M. ROMSLO, managing director of North Sea passenger traffic for the Fred Olsen Bergen Line, said yesterday that next winter the company hoped to carry 50,000 passengers between the Tyne and Scandinavia. It wants to recoup traffic, the fall in which is blamed on the strengthening pound and the novelty to Norwegians of shopping in the UK wearing off.

Code of practice for photographic trade

BY OUR CONSUMER AFFAIRS CORRESPONDENT

A CODE of practice for the photographic trade was laid down yesterday by the Office of Fair Trading and seven trade associations.

The code is aimed at reducing the number of complaints about cameras and film processing received by the office, at present about 3,000 a year.

The associations supporting the code represent retailers, manufacturers, importers, film processors, repairers, and professional photographers. The scheme covers about 16,000 companies, accounting for more than three-quarters of the total UK photographic trade.

the so-called professional photographer," the Institute of Incorporated Photographers says. The institute is one of the seven associations supporting the code.

Under the code, companies agree to provide detailed information on the operation, care and maintenance of cameras. Other points include giving delivery dates in writing, displaying prices, and carrying out repairs within 21 days.

Mr. Gordon Borrie, director-general of Fair Trading, said he believed the code would guarantee customers efficient and sympathetic treatment.

"I am also pleased to see that retailers are encouraged to give their staff more training, both in dealing with the public and in technical knowledge," he added.

But he was "somewhat disappointed" that the code was not more forthright about compensation by processors, and retailers when films are lost or damaged.

Guarantee

A particular target of the code is the activities of "rogue" photographers, who overcharge, produce poor quality work, or fail to turn up at weddings.

"Many a bride's big day has been ruined because she has been let down in some way by

Homes and jobs worry rural communities

THE HIGH cost of housing and lack of jobs in the countryside are highlighted in a report published yesterday.

In the report — Whose Countryside? — the Standing Conference of Rural Community Councils says that these two problems are causing many younger people to leave rural areas.

The average price of houses in national parks and areas of outstanding natural beauty is significantly higher than in adjacent urban areas. A Government survey of houses sold in 1974-75 showed that in four of the five districts in the North of England containing large areas of the kind mentioned, average prices were at least 30 per cent above the regional average.

The rural community councils point out that difficulties of communities in attractive countryside are worsened by their designation as areas of natural beauty. Designation, the report says, tends to restrict building and the development of workshops and businesses.

The standing conference says it wants the beauty of the countryside maintained, but not at the expense of residents. It recommends better co-

ordination between government departments and agencies in planning for areas of natural beauty and greater local involvement in the administration of such areas.

Big increase in Port of Tyne traffic flow

THE PORT OF TYNE has had its most successful year since the Port Authority was formed in 1965.

Cargo movements through the port rose from 4.87m tonnes in 1977 to 5.06m tonnes and the number of passengers using the ferry services to Norway, Denmark and Sweden increased by 40,000.

The net operating surplus for the year was £831,982 and capital expenditure amounted to £122m.

The authority is to spend £1m on improving facilities at one of its roll-on, roll-off berths at Tyne Commission Quay, North Shields. The paved area for container parking will be improved and the passenger reception building and car park will be enlarged.

Newton first edition tops list at £5,000

SOTHEYBY'S yesterday completed its two-day sale of medical and scientific books for a final total of £100,260. Top price was the £5,000 from H. M. Fletcher for a first edition in English of Newton's *Mathematical Principles of Natural Philosophy*. Riley-Smith gave

1760 and the second of £1,100 for *Mothers and Their Children*, a pair of Octavia Campotosto.

There were two very high prices at Christie's auction of coins: a dekadrachm, signed Kimon, struck around 425 BC at Syracuse, Sicily, sold for £7,500 to Saunders, the London dealer, and a similar coin, this time signed by Euainetos, went to Spink for £5,200. The sale totalled £66,865.

Phillips organised an auction of firemarks and sold a lead firemark of Glasgow Insurance for £650. It dates from between 1805 and 1841, when the office was in business. A rare Newcastle fire office mark sold for £460 and a Church of England firemark made £220.

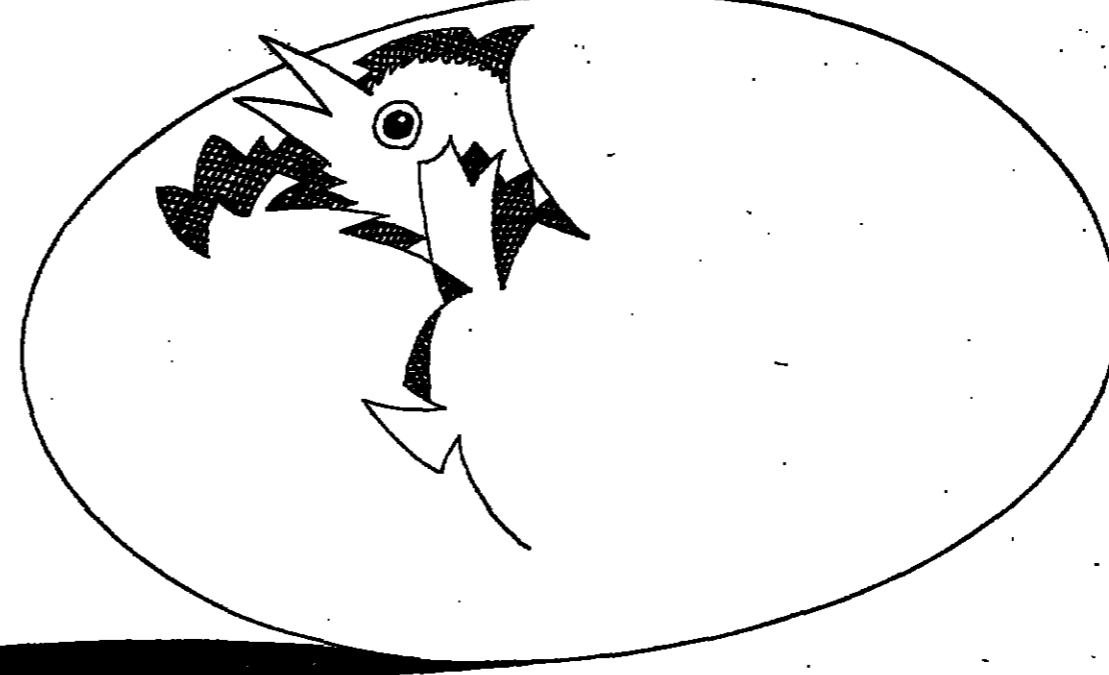
Jewels at Christie's South Kensington brought £26,842. A pair of diamond cluster chandelier earrings sold for £1,500.

SALEROOM

BY ANTONY THORNCROFT

£2,500 for William Harvey's *Anatomical Exercises*, a first edition. Fletcher also acquired a rare first edition of Harvey translated into Dutch for £1,850.

Two minor sales at Sotheby's covered ceramics and at Belgrave, Victorian paintings. The first had a top price of £560 for a German porcelain snuff box of



Cracking idea.

The idea that's hatching at our refinery is a real cracker. A £150 million catalytic cracker complex, no less — replete with delights for the technology buff; alkylolation, isomerisation, deisobutanisation, the lot.

But to most people outside the oil business, that could be good news, bad news, a tax dodge or an excuse to put up prices.

So why should anyone care?

For one thing, it should boost Britain's balance of payments by around £40 million a year.

And for another, it anticipates a conservationist trend in the way Britain uses oil.

Most British refineries, ours included, produce large quantities of heavy fuel oil — used mainly for industrial heating and electricity generation. But those jobs can be done just as well by other fuels. In years to come, it won't make sense to burn a scarce resource like oil for heating when it could be used to make petrol, jet fuel and lubricants — products for which there's no satisfactory alternative.

That's where the cracker comes in. It's an 80-foot vertical steel column in which heavy fuel oil molecules are cracked up into smaller structures; when they're reassembled, we end up with less fuel oil — and an extra supply of petrol.

Good news for us, because petrol is a more valuable product.

Good news for Britain, too. Instead of having to top up our petrol supplies with expensive imports, we'll have a healthy surplus to export. Which is where the balance of payments benefit comes from.

Too good to be true? Certainly it's risky trying to anticipate changes in market demand, especially with a project which takes four years to complete.

But we had to find £150 million to fund the project; and you can't raise that kind of money without convincing some pretty shrewd people that your idea is all it's cracked up to be.

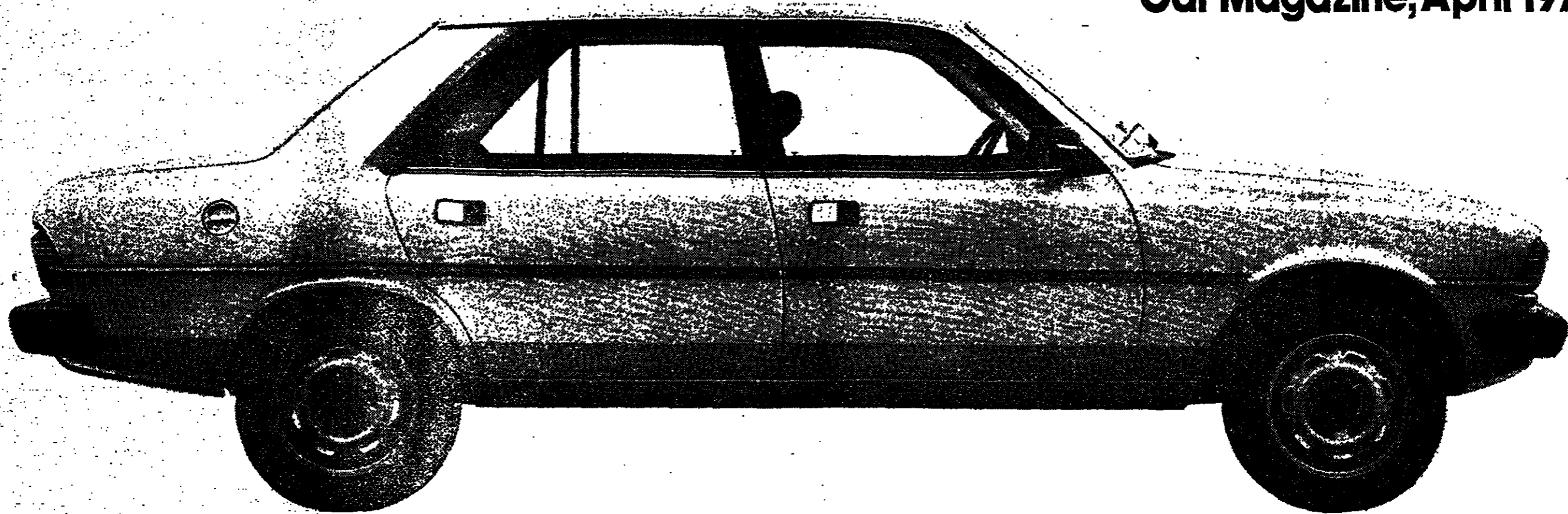


"BEST FAMILY CAR- OVERALL CAR OF THE YEAR-"

What Car?, April 1979.

"I FEAR THAT I SHALL NEVER FEEL SO MUCH AFFECTION FOR A CAR EVER AGAIN."

Car Magazine, April 1979.



"What Car? Annual Review"

"This year we decided to vote for our Car of the Year again—and have chosen the Peugeot 305SR."

"Over the past year we have tested more than 120 cars."

"As last year we are splitting the wide variety of cars we have driven into various groups, but this time the categories are slightly different."

"Each class has its own winner, found by awarding cars points out of 100 under a total of five headings, with a maximum of 20 points on each count."

"In the end we arrived at nine individual group winners, one of which turned out to have the highest overall total. This year our Car of the Year is the Peugeot 305SR."

"The 305 is a slightly up-market four door family car. It is French, with a front engine driving the front wheels. It has four doors, enough room for four adults and their luggage, is reasonably fast, handles safely and is well equipped."

"The Peugeot 305 combines the advantages of space and safety offered by front wheel drive, while retaining a traditionally shaped, roomy body. It offers a degree of comfort and luxury unusual in a car of the class—the opposition will have their work cut out to match its stylish ride."

"The 305 is typically Gallic, with front wheel drive, and a thoroughly sensible approach—a large boot for luggage, large passenger area and a transverse engine up front. The 305 is also blessed with one of the best gear changes we have ever come across...so light and precise that changes can be slurred making passengers think it's an automatic. Our Car of the Year offers smooth luxury unusual in a car of this class."

"French car manufacturers seem to have found the knack of producing everyday cars with the sort of luxurious ride comfort found only in limousines. Peugeot's new 305 range is a case in point—aimed squarely at the family man as his regular transport, and yet offers the sort of comfort a chauffeur driven executive would expect."

"The success it has already had is well deserved and we can be certain that it will still be in production in ten years time—something that can't necessarily be said of its rivals here."

What Car?, April 1979, Annual Review, and comparative test with Fiat Supermirafiori, Princess 1700 HL, Renault 18TS.

Car Magazine- "A long term test with a difference"

"Just one of the astonishing things about the 305 is how well it handles."

"...the gear change for example: it is not only the nicest to be found in any front-wheel drive car but it is also one of the very nicest to be encountered in any car."

"The rest of the credit presumably goes to the transverse location of the engine, the block of which is tilted 20° forward to make things even better. Space saving under the bonnet has not been taken too far, though, for although there is not much space wasted there is room to get at the things that are likely to need attention, even if nothing ever actually did."

"The 305 suspension, like that of its big brother 604, must surely represent the state of the car-builder's art."

"Just as nothing seemed to be consumed, likewise nothing seemed to deteriorate. The finish looked everywhere as good at 9000 miles as on delivery."

"...the cabin was impressively roomy: once again the long wheel-base might have something to do with it, for the car is not over-long overall, being an inch shorter than a Cortina"

"The Peugeot's controls are excellent, well-sited and have superb actions. The instruments are easily seen and tell no lies, and the night lighting of the fascia is first-class. There is a complex array of heated and fresh air vents, yet the controls are straightforward, even to the first-time driver."

"On almost every count, the 305 is highly competitive with its obvious rivals, most obviously in matters that can be quantified and set down in figures but most convincingly in the sweetness of its behaviour."

"It is difficult to overstate this case, hard to think of any other car short of a Rolls-Royce in which the controls feel as though they have been matched and lapped and polished and hand fitted by a jeweller, and impossible to imagine how Peugeot have achieved this in mass production."

"In the absence of any serious faults or many trivial ones, it seems almost tedious to keep on piling up praise for the way this car behaved, but it would be unjust not to do so. With such exemplary manners, such silken feel, such admirable comfort and such unfailing reliability, the Peugeot 305 must obviously be a very good car. What made it even better was its ability to rise to the occasion, to meet requirements that ought to have been beyond the normal call of duty."

"Never have I encountered a car that could serve for so long without letting me down in any way, that could serve so satisfactorily for such a variety of journeys, and that could sustain such astonished delight over its virtues, as did this 305."

Car Magazine, April 1979. Long term test and comparative test with Renault 18GTS and Honda Accord.

Please send me full details of these articles.

Name: _____

Address: _____

Tel: _____

Send to: Customer Relations, Peugeot Automobiles UK Limited, 333 Western Avenue, London W3 0RS. Tel. 01-993 2331.



OPPORTUNITY FOR PRIME POSITION DEPARTMENT STORE IN DUBAI, UNITED ARAB EMIRATES

Prime-position Department Store premises are now ready for occupation in the booming, oil rich U.A.E.

Within the last decade, a lot of the world has discovered the UAE — and not just for its oil. Along with free trade and hectic commercial enterprise, the UAE enjoys one of the highest per capita incomes in the world — with high, tax-free salaries giving a large percentage of the population tremendous purchasing power.

Dubai is the hub of this commercial activity — and that's where we've built Al Mulla Plaza, a one-stop Shopping Centre-cum-residential complex. It's situated in a prime position on the only link midway between two Emirates, the busy Dubai-Sharjah Road.

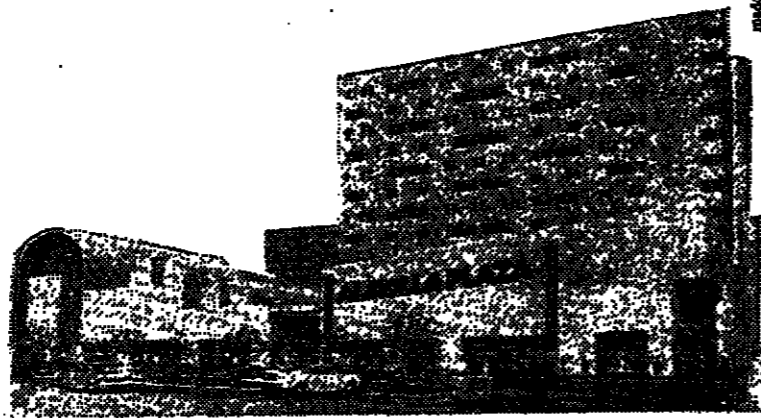
In addition to the 100,000 sq. ft. Department Store premises now available, the Plaza houses 108 apartments and a three-level shopping centre with a supermarket, 45 small shop units, restaurants, games rooms and play areas, all centrally air-conditioned, with extensive, landscaped parking space outside.

Looks like the prime time for inquiries, doesn't it?

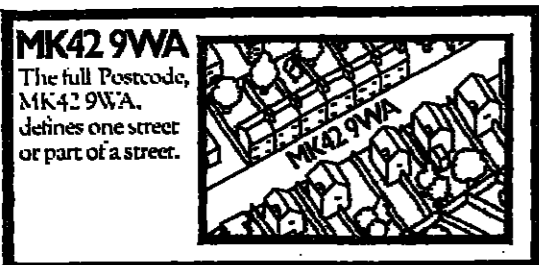
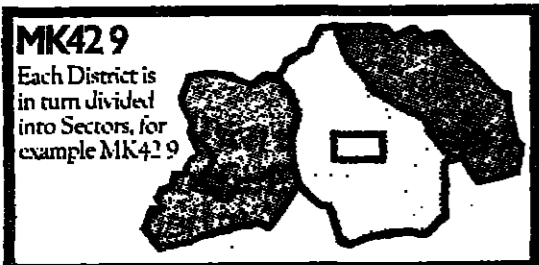
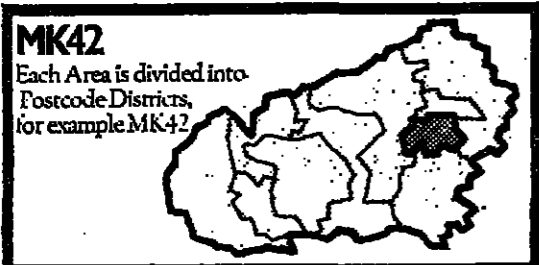
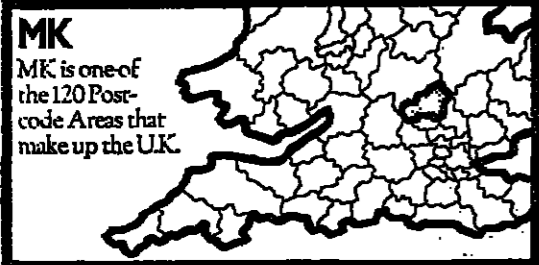
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UK NEWS



On the market today: Datsun's Cherry hatchback, Renault's 30TX, and Mazda's Montrose

Japanese launch two new cars to-day

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT.

A CLEARER indication of the approach the Japanese will bring to the UK car market in 1979 emerges today with the launch of two new Japanese models.

Mazda, the only importer to hold down its sales last year to 1977 levels, maintains it will have more cars available in 1979. The manufacturer, Toyo Kogyo, has promised 3,000 to 4,000 more than the 12,810 Mazdas sold in the UK in 1978.

However, the importers of Datsun cars insist they still have no idea of how many will be shipped in 1979 by the makers, Nissan. Datsun sales rose from £2,133 to 101,735 last year, pushing up the company's market penetration from 6.21 to 6.39 per cent of new car registrations at a time when the Japanese were committed to restraint.

Today the third generation of Datsun's front-wheel-drive small

car is launched in the UK, and the Cherry name will be used once again.

The new range of five models is important to Datsun UK—150,000 Cherrys have been sold in Britain since the British launch in 1970 and they have accounted for roughly one third of annual sales.

The new cars started to arrive in the UK only last month but Datsun UK says about 2,000 are spread among its 360 dealers in readiness for the launch.

It expects the Cherry to continue to contribute 28 to 30 per cent of total sales—indicating that about 30,000 would be registered in a full year.

Prices range from £3,649 for the 1.6 GL saloon to £4,449 for the 2 litre GLS coupe.

Renault also expands its range of cars in Britain today with the launch of its "executive express," the Renault 30TX, which marks the beginning of a determined advance into the executive segment of the market with competitors like the Rover saloon and the Ford Granada.

The new TX is based on the 2.7E litre Renault 30TS but has more power, greater technical refinement and a higher level of equipment.

For £7,718 customers get a car with fuel injection, transistorised ignition, five-speed gearbox, central door locking and heating ducts for rear passengers. Another £250 will buy an automatic version. The only optional extra is leather upholstery at £345.

Advertising report criticises 'illogical' competition policies

BY MICHAEL THOMPSON-NOEL

THE PRICE Commission is not fully aware of the true meaning of competition, according to a report by Dr. Duncan Reekie, a specialist in business economics at Edinburgh University. He suggests scrapping Government price and advertising controls.

His report, Advertising and Price, sponsored by the Advertising Association, sets out, in part, to establish that advertised brands do not rise as rapidly in price as other products. In fact, the report claims advertising helps check cost of living rises.

As an example, Dr. Reekie compares changes in the price of 65 heavily-branded foods with changes in the Retail Price Index for food and shows that in 1978 the index was four times its 1964 level, while the price of the heavily-advertised brands was only a little over three times their 1964 level.

He also sets out to show that advertising—£2bn industry in turners' costs, due to increases in turnover and the benefits of product recognition.

Price controls, says Dr. Reekie, are ill-considered and will distort the structure, conduct and performance of industry.

Although anti-monopoly legislation in Britain was first intro-

duced in 1948, he says, the policy has been frequently criticised for lack of clarity and the inconsistency of its objectives.

"The Price Commission Act, 1977, in itself contains provisions which could bring Britain closer to having a true competition policy. It also supersedes much of the Counter Inflation Act, 1973, which had pushed much of the previous initiative on competition policy, the 1973 Fair Trading Act, into a position of limbo.

However, because neither Act effectively defines competition in terms of market structure, conduct or entry in either of the markets for goods or services, or in (the capital market), their practical impact in shaping competition policy must remain in doubt," he says.

The evidence of his studies, Dr. Reekie says, suggests that the Price Commission is not fully aware of the true meaning of competition. "For economists, as for laymen, competition means rivalry, which means industry rivalry, potential or actual, and market share expansion, real or threatened."

to the perfect price competition. "What consumers want, says Dr. Reekie, can only be revealed by their purchases; in the market, undistorted by Government influence. "The underpinnings of Britain's 'competition policy' are illogical and so require removal. They exemplify the approach of the inventory clerk, not the economist. The inventory clerk examines current consumption and advertising and concludes that they are ill-matched. The economist is not so arrogant. He does not prejudge the market... Likewise, manufacturing and advertising costs cannot be judged by outsiders as they occur."

Dr. Reekie's advice to housewives is that where they shop is more important than what they buy. They can save significantly more by changing shop than by changing brand, he claims.

He also criticises own-brand goods. "Private brands lower the retailer's costs by having a faster stock turnover, but this is only true of established product groups. Where quality or variety is changing, the reverse is the case. Private brands have an important role to play in the competitive process, but that role is essentially one of price."

"By virtue of what they are, at best imitators of yesterday's successes, they have only a negligible competitive function in the areas of quality, service or innovative rivalry. Do we want yesterday's products more cheaply, or tomorrow's products today?" There is no simple answer to that question, he agrees.

In specific studies of the use and impact of advertising, Dr. Reekie shows how it was used to "create" markets (domestic washing machines and dried milk powders), maintain one (chocolate and sugar confectionery) and revive one (gramophone records). In each case, scale economies had been gained or re-attained, real price levels reduced (relative to the Retail Price Index) and company profits and added value raised.

Advertising and Price, Dr. Duncan Reekie, The Advertising Association, Abford House, 15, Wilton Road, London SW1, £8.

CONTRACTS

Aiton win £10m pipework order from CEGB

AITON AND COMPANY, a Birmingham. It has been awarded a contract worth 126,000 for 20 coolers for the gas turbine division of the General Electric Company at Whetstone, London, and another worth over £130,000 from British Rail for 80 oil coolers for the class 56 heavy freight locomotives.

The Post Office has ordered over £3.3m private telephone exchange equipment from the private systems division of GEC TELECOMMUNICATIONS. The orders cover branch exchanges for various Government offices throughout the country. The equipment is being made in the company's factories at Aycliffe and Hartlepool.

KIRK AND KIRK, Chesham, Surrey, has won building contracts totalling over £1.3m, including an adult training centre at Chadwell Heath, costing £551,000 and old people's housing in Camden for £227,000.

DECCA has received orders for two ship simulators (for training bridge officers) each worth about £500,000. They will be installed at the Colleges of Nautical Studies in Glasgow and South Shields.

CORRALL CONSTRUCTION, a Powell Duffry company, has two housing association contracts together worth £450,000—one for 20 homes in Chiswick High Road, placed by the Family Housing Association, and the other for 18 flats in Greencoat Place, from Coburg Buildings.

A. I. Metal Products Group has awarded BIRLEC orders valued at about £200,000 as part of its foundry development plans. The orders are for channel holding furnaces to be installed at two foundries within the group, the Walsall foundry of Mason & Burns, and the Tipton foundry of Bullers Engineering.

HARLAND AND WOLFF has ordered fire protection systems worth over £300,000 from JOHN KERR (MANCHESTER) for two liquid petroleum gas carriers to be chartered by Shell.

TWO ORDERS worth more than £250,000 have been won by SERCK HEAT TRANSFER OF

High Speed Train sets world record

By Ian Hargreaves, Transport Correspondent

British Rail's High Speed Train yesterday set a world speed record on the London-Bristol run.

The 9.20 am diesel from Paddington, with 300 passengers, covered the 94 miles to Chippenham, its first stop, in 50 min. 31 sec.

This gave it an average start-to-stop speed of 111.7 mph, 5 mph faster than the previous world record claimed by the Japan National Railways Shinkansen service between Tokyo and Nagoya.

The train arrived in Chippenham six minutes early—a feat attributed to British Rail to the unusual absence of engineering works and speed restrictions on the line.

British Rail will be bidding for the world speed record for a regular service when the new timetable is introduced on its Eastern Region next month.

Then the High Speed Train will complete the Stevenage-Peterborough leg of its journey regularly at an average speed of 104.5 mph. That is 3.4 mph faster than the Tokyo-Shinkansen section of the Shinkansen.

Advancing

This record is unlikely to be retained for long, however. Top speeds of more than 186 mph are planned for the new electric Paris-Lyons route of SNCF by 1982. British Rail's own highest scheduled speed should be lifted by the commissioning in the next year of the Advanced Passenger Train.

The world speed record is held by a linear induction motor research vehicle of the U.S. Federal Railroad Administration, which in 1974 recorded 254.76 mph on a test track in Colorado.

When British Rail's Mallard established the world steam-engine speed record in 1938, it reached 126 mph over a distance of 440 yards during its run and sustained severe engine damage.

THE DEVELOPMENT BANK OF SINGAPORE LTD
(Incorporated in the Republic of Singapore)

US\$60,000,000 6½% CONVERTIBLE BONDS 1991
ANNOUNCEMENT OF ADJUSTED CONVERSION PRICE

To: All Bondholders

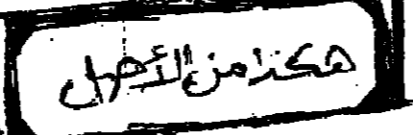
Pursuant to Clause 8(6) of the Trust Deed dated 7 October 76, Notice is hereby given that the conversion price of the above Bonds has been adjusted from S\$ 4.30 to S\$ 4.10, for one share of S\$1.00 par value of The Development Bank of Singapore Limited ("the Bank") following the offer of shares by the Bank to its shareholders by way of a rights issue in the proportion of one new share of S\$1.00 par value at an issue price of S\$3.50 per share for every four shares of S\$1.00 par value held by shareholders registered in the Register of Members at the close of business of 3 April 1979.

The conversion price of the Bonds into the shares of the Bank at the rate of S\$ 4.10 for one share of S\$1.00 par value shall be applicable with effect from 4 April 1979.

BY ORDER OF THE BOARD

LIM SEAN TECK
Secretary

THE DEVELOPMENT BANK OF SINGAPORE LIMITED
4th April, 1979, Singapore Time



Warning to Thatcher as railmen seek 13%

BY PAULINE CLARK, LABOUR STAFF

THE NATIONAL Union of Railwaymen, Britain's biggest rail union, will demand a pay increase of between 12 and 13 per cent and resist any attempt to trade jobs for a productivity deal in pay talks with British Rail board tomorrow.

Mr. Sid Weighell, general secretary of the 172,000 strong union, also gave a warning yesterday that if a settlement were not reached before the election and the union had to continue negotiations under a Conservative Government, Mrs. Margaret Thatcher, the Tory leader, could expect to see her hands.

"If she can tell me how I can discipline a quarter of a million railway men, I would be interested," he said. "If the country wanted free collective bargaining, it would get it after May 3 if the Tories were

returned and union leaders will be queuing up outside 10 Downing Street."

Priority

Mr. Weighell made it clear, however, that he was anxious to see railway pay negotiations out of the way before the election.

The union had set its sights on establishing firm pay links with miners, power workers and postmen and 12 to 13 per cent pay rises were regarded as "the going rate" for these three groups, Mr. Weighell said.

Mr. Weighell was outlining the union's stance ahead of this week's Railway Staffs National Negotiating Committee meeting after the NUR executive decided that this year's pay claim must take priority over any other issue.

The meeting will also discuss the 5 per cent award to members of ASLEF, the train drivers' union, by the Railway Staffs National Tribunal under Lord MacCarthy. The NUR is anxious to make clear in advance that it will strongly oppose any attempt to have the award coset out of this year's wage bill.

Mr. Weighell said the award, if distributed to 18,000 train drivers, would amount to a pay rise of 2½-3 per cent.

The union is looking for a minimum earnings level of about £55 a week. A railman's present rate, including a non-enhanceable £8 supplement, is put at £44.70 a week. A guard's rate is £53.90, a driver's £68.80 and the highest grade signaller receives £78.40. The minimum earnings level is put at £50 a week.

Go back, Perkins men told by union

By Alan Pike, Labour Correspondent

STRIKERS who have closed the Perkins diesel engines plant at Peterborough in a dispute over pay parity were told by the Amalgamated Union of Engineering Workers yesterday to return to work.

Mr. George Gilmour, works convenor, said there would be a meeting of shop stewards today followed by a mass meeting of the strikers to consider the position.

The call for a return to work was made to the strikers by Mr. Terry Duffy, AUEW president. Mr. Duffy said there was some doubt about whether the disputes procedure had been exhausted. In these circumstances, the executive was asking the Perkins members to go back to work pending further talks.

Scots bank staff win 17% rises

BY NICK GARNETT, LABOUR STAFF

SCOTTISH CLEARING bank staff have won salary rises averaging 17 per cent following increases on earnings last year of 19 to 23 per cent.

The Banking, Insurance and Finance Union, formerly the National Union of Bank Employees, which negotiated the Scottish deal, has submitted a pay claim to the English Clearers for an across-the-board rise of 20 per cent together with consolidation of productivity payments and a minimum pay level of £44.50 a week.

The Trustee Savings Banks have also offered their staff, which is represented by BIFU, average rises of about 13.5 per cent. This is based on a general rise of 8 per cent, consolidation of productivity payments worth 4 per cent and a restructuring exercise worth 1.5 to 3 per cent.

The Scottish agreement provides for rises of 16 per cent on salaries for grades 1 and 2 clerical staff, up to 18.5 per cent for managers.

It comprises an 8.5 per cent across-the-board increase, 3.5 per cent to buy out last year's one-off productivity payment and 5 per cent to remove pay anomalies between the Scottish and English clearers.

The 3.5 per cent element, consolidated with the other payments, replaces last year's productivity payment, worth 5 per cent which will no longer be paid. The total effect of the settlement on the banks' overall wages bill is, therefore, less than 15 per cent.

Salaries, excluding profit-sharing money, for the four clerical grades, is now £1,936 to £2,457, £2,346 to £3,006, £3,811 to £4,377, and £5,878 to £4,890.

Minimum pay for accountants is £5,362 and for bank managers £7,185.

The 22,000 staff in the Scottish clearers received pay rises of 9 to 12 per cent last year, together with 5 per cent productivity, which did not involve any changed working practices, and a further 4 per cent in the form of newly-negotiated profit-sharing schemes.

Staff in the English clearers received similar rises on basic salaries and productivity together with slight increases in payments under profit-sharing.

The annual conference of BIFU decided in Glasgow yesterday that the union should press for further productivity payments in banks and finance houses this year.



Lorraine steers a straight course, even though she's blind!

It's not very unusual for a sixth-form schoolgirl to be a keen—and a capable—yachtswoman, but it may have surprised you to learn that Lorraine is blind.

Well, it shouldn't. Blind people simply want to lead ordinary lives, and mastering an activity only needs personal determination together with the help of skilful training.

Lorraine went to the RNIB's Chorleywood College (with six 'O' levels and studying for her 'A's'). The College has two sailing dinghies, and handling them certainly brings out all the self-reliance students are trained to develop. Lorraine even goes ocean racing now!

Training blind people to live fully and work effectively is the purpose for which the RNIB has existed for more than a century. Please help us to carry on with it through your legacies and donations.

ROYAL NATIONAL INSTITUTE FOR THE BLIND

224 GREAT PORTLAND STREET, LONDON W1N 6AA

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4 Tachbrook Street,
London SW1 1SJ.

Newspaper men appeal

THE 27 journalists dismissed by the Nottingham Evening Post during the national provincial newspaper strike are to take their case to an Industrial Tribunal, claiming unfair dismissal.

The journalists went on official strike together with 8,000 other members of the National Union of Journalists but the Evening Post's managing director, Mr. Christopher Pole-Carew, has refused to have them back on the newspaper.

As the journalists all lost their jobs at the same time, one of them will take his case before the tribunal as a test case. It is understood the Evening Post will contest the case.

Civil Service offer may avert holiday chaos

A LAST-MINUTE attempt to ensure that Easter holiday arrangements are not disrupted by civil servants is likely to be made today when Civil Service unions expect an improved pay offer.

A meeting with Civil Service Department officials appeared to have been proposed tentatively last night to the union leaders, but no indication was given of a possible improvement in the offer.

A 9 per cent increase from April with more in August and next March to make a total of 20 to 35 per cent has been rejected; but it is being seen as a basis for negotiations, which were originally scheduled to be resumed again after the weekend.

The Government has clearly come under pressure to court peace with its militant employees after the decision by the 105,000-strong Society of Civil and Public Servants to step up industrial action by customs and immigration officers at air and sea ports.

Mr. Barney Hayhoe, an Opposition spokesman on employment, yesterday called on the Prime Minister to intervene to prevent the threatened disruption of Easter holiday traffic.

The SCPS said yesterday that action would go ahead as planned.

Ambulance deal

AMBULANCE officers have settled for a 9.14 per cent basic pay rise, consolidation of all outstanding supplements and a comparability inquiry.

The deal for senior staff follows the ambulance's settlement for 9 per cent plus £1 a week in advance of a comparability study. The deal covers 3,500 personnel.

Schools 'strike exemption' call

A 20,000-strong union of head teachers today calls for binding agreements with trades unions to exempt schools from industrial action.

If the necessary exemption could not be established under existing law, said the National Association of Head Teachers, the next Government should introduce legislation to designate schools as part of the essential public services.

To ensure that the ban on union action did not damage teachers' salary prospects, there should also be "copper-bottomed" guarantees that school staff's pay would be regularly reviewed and kept in line with private-sector levels.

'Race' verdict query

THE FURNITURE, Timber and Allied Trades Union has been told by lawyers that it has "extremely strong grounds for appeal" against an industrial tribunal decision in favour of 17 Asian members who claimed racial discrimination by the union.

Mr. F. Griggs, assistant general secretary, said the union's lawyers had advised that the decision of the industrial tribunal at Birmingham earlier this month might be seriously wrong in law.

"All our instincts as a union are to appeal against this completely unwarranted and unjust stigma which has been laid on our reputation. The only opposing factor is whether it is right to stir up what is now past history and thereby possibly jeopardise the good relations which exist between the union and the members concerned. The decision will be made by the general executive council in due course."

Mr. Griggs said that the complaint, by members at Pel Ltd., a manufacturer of tubular metal furniture, related to events alleged to have taken place in 1977. Since then ownership of the company had changed hands.

Many allegations, said Mr. Griggs, had been rejected by the tribunal but it had been found that the union was guilty of indirect discrimination on the grounds that it should have pressed more vigorously for the Asians concerned to have their own shop steward. There had also been a failure of communication.

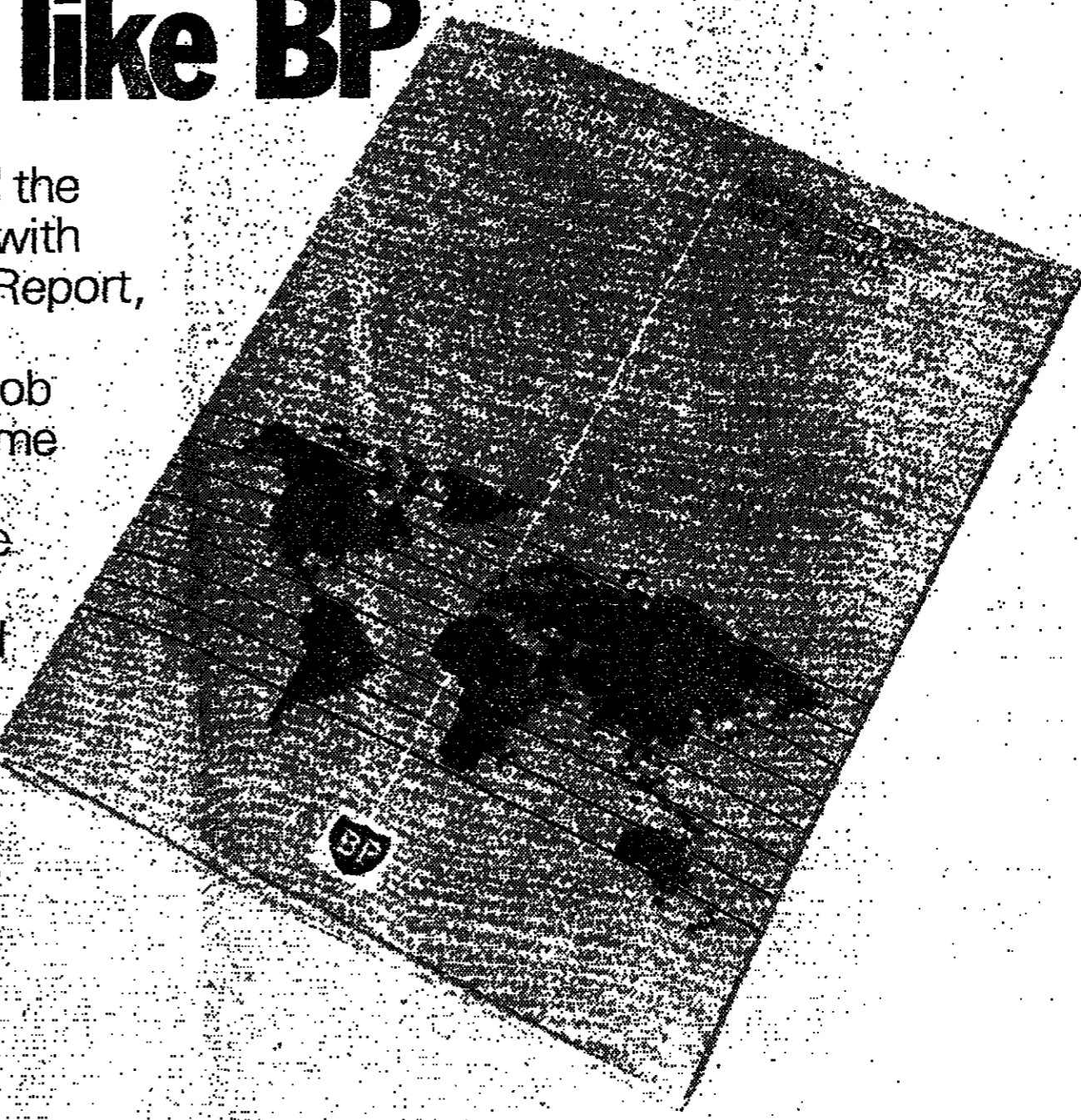
"We are satisfied that our officials did all that was reasonable in these matters. Even if what they did was not to the liking of the members of the tribunal or even if errors were made in a very difficult industrial situation we strongly resent and repudiate the inference that this was due to racial discrimination."

John Drewry Associates do not specialise in designing Annual Reports for companies like BP

The natural human tendency to brand the producer as a specialist, when presented with something as complex as the BP Annual Report, reveals only a partial truth.

A company's ability to handle such a job is surely founded on its being expert in some things rather than a specialist in one.

Importantly, a combination of creative communications design, journalism, copywriting, and the ability to understand at the right levels, produces an organisation capable of tackling a whole range of corporate promotional problems.



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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

BANKING Electronic filing

FOLLOWING THE recent announcement that Midland Bank and Burroughs were studying methods of retaining the cheque, but doing away with the heavy overhead of handling vast volumes of paper, by turning the cheque data immediately into a digital "picture," comes the news that a major European bank will be going live on just such a system for document storage and retrieval this coming June.

Equipment to be used is the brain-child of a small company called Correlative Systems International which is based in Belgium at rue de l'Aeronautique, 1130 Brussels.

It has called the equipment Videofiche, and describes the purpose of the unit as getting rid not only of all paper documents in administrative work, but also of all microfilm. In other words, this is a fully electronic document capture and storage system.

What the equipment does is first to scan incoming documents with a Fairchild charge-coupled array which, in a unit mechanically similar to any camera used for microfilming operations, replaces the optical portion. This CCD contains 1,728 elements and its output is turned into a 1,000 point by 750 line page, the digital description of which goes to a magnetic disc.

When the latter is full, the contents are automatically dumped to tape at the same time being marked with synchronising signals to turn the data stream into something akin to a TV signal.

A significant economy in the operation is achieved by having the digitisers ignore white background of the document but provide a signal for start and end of the white field.

Thus a 300 Megabyte disc can store as much as 6,000 images of A4 documents and the stan-

dard videotape reel used will take 75,000 images. This is respectively twice and three times as much as would be possible without background elimination.

Retrieval of the document from its electronic archive takes place on a display tube. All the operator has to do is call up the document by its number, either from the disc or the videotape. From disc, recovery is almost instantaneous. From the large-capacity tape, it can take an average of 45 seconds but 31 minutes maximum.

The CCD camera, the magnetic video-tape and the terminal are all controlled by National Semiconductor micros. The main control computer is a mini from General Automation. It is powerful enough to handle up to 16 display terminals.

Each terminal has enough solid-state memory of its own to generate character or graphics images, and provide scrolling for A4 pages.

Correlative Systems wrote the software and assembles most of the specialised hardware. It has built several systems already and one has been installed at EEC headquarters in Brussels. Meanwhile, its large banking client is Credit Communal de Belgique, whose system will handle 200,000 documents a day!

The importance of a system such as this in the banking world, which is one area of business where paper is an enormous and continually more burdensome problem, cannot be underestimated. Whether or not rapid progress can be made towards completely electronic handling of money documents remains to be seen. It is likely that the banking laws will require extensive amendment for this to take place. Videofiche has applications in many other areas than banking, however.

More from Cor/Sys UK, Catherine Street, Aston, Birmingham. 021 328 4940.



A mechanical suppressor/ejector, designed by McDonnell Douglas Corporation for possible application to an advanced supersonic transport, is reported to have resulted in significant engine noise reduction during a joint U.S.-British flight test programme. The suppressor can be seen at the rear of the modified Rolls-Royce Viper engine. Noise was reduced by mixing hot engine exhaust

gases with cold outside air, slowing the velocity of gases leaving the ejector and by absorption of noise by an acoustic lining in the ejector. The system was tested on a modified British Aerospace HS-125 aircraft provided by Royal Aircraft Establishment. McDonnell Douglas said test results indicate an advanced supersonic transport could be quieter than many of today's commercial airliners.

DATA PROCESSING High performance micro promise

INTEL reports that it will "shortly announce" the 8088, which will be "world's highest performance eight bit micro-processor."

The device apparently makes use of the 16 bit internal architecture of the 8086 combined with the eight bit bus interface of the 8085. The 16 bit internal structure, says the company, provides a performance which far surpasses any current eight bit processor.

However, the 8088 is 100 per cent software compatible with the 8086. It has advanced arithmetic and alphanumeric (ASCII) data abilities so that programs require fewer instructions and run faster than with other eight bit devices.

The instruction set is structured for efficient high level and assembly language programming, which shortens develop-

ment times to allow eight bit products to be brought to the market more rapidly.

The circuit can be used to expand the performance of existing products and meet the speed and software needs of new applications that were previously outside the scope of eight bit machines.

More from 4, Between Towns Road, Oxford OX4 3NB (0865 771431).

polar 1k RAMs and consume up to 36 per cent less power from the single 5-volt supply.

The devices are selected for access time by the maker and can be offered at 35, 30, 25 and 20 nanoseconds. All are direct pin-and-performance compatible replacements for bipolar devices, but exhibit a dramatic reduction in power used.

The two faster devices will better the bipolar RAM performance in terms of both speed and power and are claimed to be the fastest 1k RAMs at present available.

Direct current stable circuits are employed in the devices, which do not require external clocks. Data is read out non-destructively and has the same polarity as the input data. All the units are TTL compatible and will handle 16 mA of output sink current.

Less power needed

THE SERIES 2115/2125 1k static random access memories from Intel are now being produced by a new process called HMOS-2 and as a result are 33 to 43 per cent faster than bi-

ENERGY Solar devices code

MOST OF the current activities of the recently formed Solar Trade Association are concerned with the establishment of good standards in the solar industry.

As a first step in its plan to produce codes of practice covering all sectors of the industry, the STA has prepared a code of conduct for manufacturers, suppliers and installers of solar water heating systems for domestic hot water and swimming pool applications. All STA members will be required to conform to the code from July 1 this year.

Main aims are to ensure customers (whether other companies or ultimate consumers) receive the best possible service from STA members in respect of materials, components, installation and repair work supplied or undertaken by such members; and to resolve any complaints which may arise concerning any aspect of supply installation and repair work carried out by STA members and provide a procedure for conciliation, or simple arbitration, if complaints cannot be settled directly between a member and his customer.

The code covers advertising, selling, the obtaining of permission and approvals as well as installation, service and repair. The STA's conciliation and arbitration procedures are outlined in Appendices.

A copy of the code is available from Solar Trade Association, 26 Store Street, London, WC1E 6BT at a price of 1 including post and packaging. 01-636 4717.

CONFERENCES Discussing electronics

COURSES and meetings aimed at managers, memory designers and users of data communications are planned in the next few weeks.

No doubt responding to the exhortations of politicians, academicians and others for more understanding of the application of microcomputers on the part of UK industrial managers, Motorola is to run three separate courses in May, one of which is aimed specifically at directors, engineering managers, production and marketing executives. The other two will be concerned with specific Motorola devices. More on 01-902 8836.

Intel is offering a two-day memory designer's course at 195, Piccadilly, London, on April 25 and 26 at which leading experts from the U.S. will discuss all aspects of the subject. More on 0865 771431.

Telecommunications today—a user perspective—is the title of a two-day conference organised by ISI Information Studies, to be held at the Cumberland Hotel in London on May 10 and 11. Idea is to bridge the gap between the data user and the media he is bound to use for transmission—in Europe the PTTs. More on 09278 4244.

Computers in design

A **FIRST** call for papers has been put out by the organisers of the fourth international conference and exhibition on computers in design and engineering.

Known as CAD 80, the conference is to be held at the Metropole Hotel in Brighton, March 31 to April 2, 1980 and has the stated aim "preparing for the next decade of CAD (computer aided design)." Most aspects of the subject

will be covered, and intending authors should submit four copies of a 500 to 700 word abstract of the full paper, in English, to reach the conference organisers not later than Tuesday, July 31, 1979. Full papers should not exceed 3,500 words.

More details from the organisers, Computer Aided Design, IPC Science and Technology Press, P.O. Box 63, Bury Street, Guildford, Surrey GU2 5BH (04833 31261).

TELEVISION Pictures on record

AMONG NEW Sony products to be shown in Europe for the first time at Montreux 78 from May 27 to June 1 are two new VTRs at opposite ends of the recorder range. The BVH-110 PS 1 inch, and the lightweight, BVU-50 are the two units.

BVH-1100 PS, operates on both PAL and SECAM. It has been developed to meet the European Broadcasting Union Type C format. This new VTR features optional dynamic tracking, giving broadcast quality replay over a speed range of one-fifth normal speed in reverse, through still frame, to twice play speed forward.

Insert and assemble editing between two recorders with edit points trimming and memory, confidence video replay and an optional fourth audio track are other facilities. Console-mounted versions, with asso-

ciated monitoring systems, will be shown. Also on view will be the portable version, the BVH-500 PS—with a new colour playback adaptor for field monitoring.

The BVU-50 weighing only 5.6 kg (12.4 pounds), is a record-only VTR, but with a confidence replay head to check the presence of a recording on the tape. Available in PAL and SECAM versions, the BVU-50 is completely compatible with other Sony Broadcast machines of its type. The recording format offers two programme audio tracks plus a time code track. Important operating parameters are monitored by an alarm system, with operator visual and audible alarms.

Sony Broadcast, City Wall House, Basing View, Basingstoke, Hampshire, RG21 2LA. 0256 55011.

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**METALWORKING
Three head miller**

BASED ON the observation that most company's machined parts get smaller in size as the batch size increases, the Rambaudi NC/3 CNC milling machine has three spindles in line, with facilities for driving one, two, or all three.

Available from Elgar Machine Tool Company, Victoria Road, London, NW10 6NY; (01 965 8911), the machine has spindle horsepower and machining area related to the number of spindles being driven.

As a single spindle machine, driven through the centre spindle, it delivers ten horsepower. Using the two end spindles, the available power is 5 hp per spindle. In both cases the machining capacity is 600 x 400 x 450 mm. If all three shafts are used, the available power is 3 hp per spindle with a working envelope of 300 x 400 x 450 mm.

Spindle speeds are infinitely variable between 33 and 2500 rpm and the rapid traverse rate is 5000 mm/min with feed rates from zero to 2000 mm/min.

Controller fitted is an Allen Bradley 7320, with the customary advantages of part-program editing, memory and extensive "canned cycle" facilities.

Atmosphere made more pleasant

SOLUBLE AND synthetic coolant mist produced by machining processes can be extracted from the working atmosphere by environmental pollution control units designed by T. F. Ford, 111 Wordsworth Crescent, Kidderminster, DY10 3EA.

The units have been designed particularly to keep routine maintenance of them down to a minimum; it takes only a few minutes, once every four months, to remove, wash and put back the filter pads.

To ensure that the mist is extracted away from a machine operator's breathing zone, exhaust hoods are positioned at the top of the machine and the sides enclosed with rubber curtains. Each unit has a fan at the collector inlet which sucks the coolant mist on to the filter pad through a flexible hose attached to the exhaust hood.

Droplets continually coalesce on the pad and fall to the bottom of the collector. Coolant is drained back to the sump while the air is recirculated into the machine shop.

NOTICE OF REDEMPTION

To the Holders of
OTIS ELEVATOR INTERNATIONAL CAPITAL CORP.
(now Otis Elevator Company)

3 3/4% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of May 1, 1970 providing for the above Debentures, said Debentures aggregating \$3,000,000 principal amount bearing the following serial numbers have been selected for redemption on May 1, 1979 (\$1,500,000 principal amount through operation of the mandatory Sinking Fund and \$1,500,000 principal amount through operation of the optional Sinking Fund), at the redemption price of 100% of the principal amount thereof, together with interest accrued and unpaid to said date, each in the denomination of \$1,000 bearing serial numbers with the prefix letter "M" as follows:

Outstanding Debentures bearing serial numbers ending in any of the following two digits:-																			
01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20
01	06	12	17	22	27	30	35	38	44	48	55	64	72	78	84	91	95	99	00

Also Debentures bearing the following serial numbers:

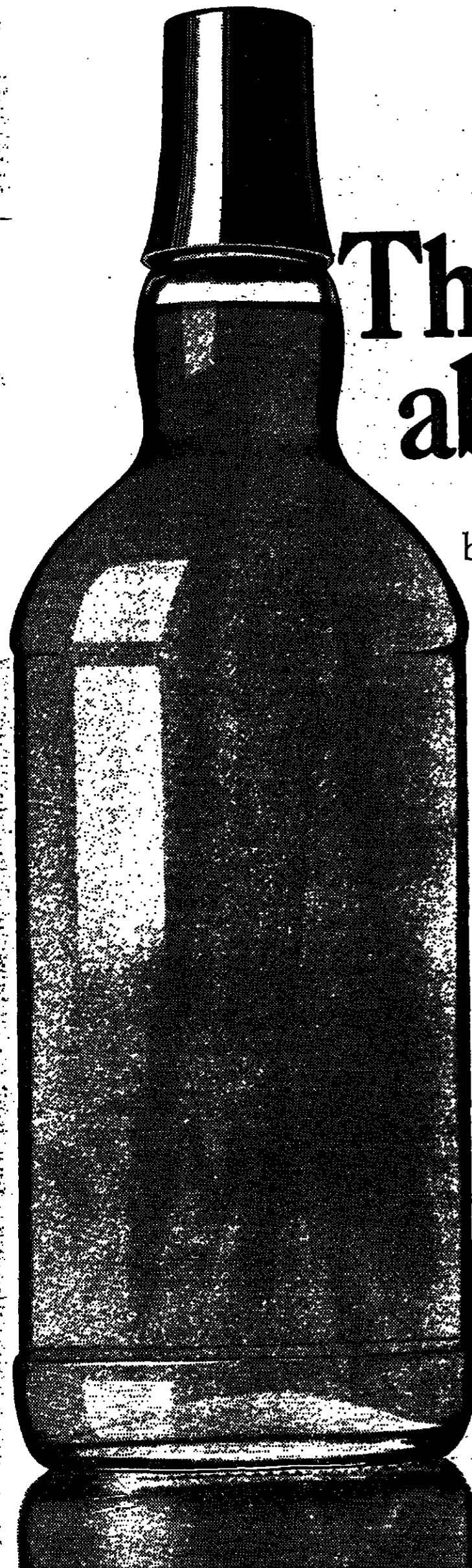
1	562	1362	2762	3062	4362	6962	7262	8362	9062	11962	12362	13362	14662	16362	17962	19762	19962
2	562	1462	2862	3262	4162	6962	7362	8662	9462	11962	12062	12962	14962	17962	19662	19762	19862
3	1062	1862	2962	3462	4262	6762	7162	8162	8762	12162	12662	14462	17662	19662	19762	19862	19962

Payment will be made upon presentation and surrender of the above Debentures with coupons due May 1, 1980, and subsequent coupons attached at the main offices of any of the following: Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York 10015; Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London and Paris; Banca Vonwiller & C. S.p.A. in Milan; Bank Mees & Hope NV in Amsterdam; and Kredietbank S.A. Luxembourg in Luxembourg.

On and after May 1, 1979, interest shall cease to accrue on the Debentures selected for redemption.

OTIS ELEVATOR COMPANY

Dated: March 28, 1979



The naked truth about Teacher's.

Every popular whisky is made from blending pure malt whiskies and less expensive grain whiskies.

Malt costs at least twice as much as grain. And more malt means more character, a more distinctive taste.

Teacher's contains an exceptionally high proportion of expensive malts.

In fact, the truth is that Teacher's contains more malt than other popular blends.

Teacher's. In a class of its own.



ISL

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Telecommunications today	10-11 May
Communicating with ICL	30-31 May

It may be delayed in the post. Please confirm your booking by phoning Chorleywood (09278) 4244 or sending a Telex on 262284 Ref. 2910. These numbers can also be used to obtain further details of the conferences.

ISL Information Studies Ltd., Regal House, Lower Road, Chorleywood, Rickmansworth, Herts. WD3 5LQ

THE MANAGEMENT PAGE

هكذا من العمل

EDITED BY CHRISTOPHER LORENZ

A make or break year at Leyland Vehicles

BY KENNETH GOODING

DAVID ABELL, 36, the new chairman and managing director of Leyland Vehicles (LVL), has told employees of BL's truck, bus and tractor division: "If we do not make it in 1979 I do not believe we will have another opportunity... It really is make or break year and I have no doubt in my mind that 1979 will be of great importance in the rise or fall of LVL."



David Abell: always better at dealing with disasters.

He insists this was sincerely meant and not just a political speech designed to terrify the workforce into a more submissive mood. He does believe that potential disaster could be ahead. But he also claims that he has "always been better at dealing with disasters."

And it is true that on two occasions since 1968 he has sorted out loss-makers within BL (or British Leyland as it was then). He first stopped the rot within Prestcold, the commercial refrigeration subsidiary, and six years later was handed a much bigger problem — salvaging what could be salvaged from Leyland Australia.

Now that he has taken command at LVL he has the biggest challenge of all on his hands. Since 1973 LVL has steadily lost ground in its home market, dropping from a 30.1 per cent share to a miserable 19.3 per cent last year, the worst performance in the company's history.

Conclusion

The truck importers have benefited. In 1978 they had only 7.5 per cent of the UK market and by last year their penetration had risen to 17.8 per cent. Yet over the same period the combined sales of UK truck manufacturers excluding LVL actually rose slightly from 62.4 per cent to 62.9 per cent.

Mr. Abell says there is only one conclusion to be drawn from the statistics: "The importers' increases were made entirely at our expense."

He says there are many reasons for the sharp decline in LVL's performance: "Reliability, styling, resale value, performance, the continuing of certain models and, perhaps the most important of all poor vehicle supply. For one thing

future are not ambitious enough and more jobs would be preserved if they were a little more bold. Mr. Abell points out that he inherited the plan when he took over three months ago. "It is a sensible plan and represents as much as we could achieve. With the possible exception of the development of buses for overseas markets we have a very creditable plan to 1982."

The company's T45 range of trucks from 16 tons to 44 tons will be introduced progressively from the second half of this year at an average rate of one model every three months for the next 31 years. The first to reach the market will be the low-volume, very-heavy trucks and the first high-volume vehicles will not be seen until the end of 1980.

Mr. Abell describes the new Leyland cab which will be standard throughout most of the range as "world class" and says it has excited interest among other truck makers. Some of them might well use it. Another truck range, code-named T43, for overseas markets will also be launched this coming autumn.

A new £33m technical centre is going up at Moss Side, near Leyland, Lancs. A £17m modernisation scheme has actually started at the parts division at Chorley, Lancs, and a further £31m is being spent on a new assembly hall at Leyland. Like the T45 project, the assembly hall scheme dates back to 1973 although both will run through into the 1980s. In all, LVL's capital spending last year reached £40m. This year it will be about £50m. That is why Mr. Abell does not hold out any hopes for big profits in the short term if LVL gets back to viability.

gate truck plant cost sales worth £120m and 9,000 "lost" vehicles. In all, disputes cost 11,000 vehicles or 20 per cent of planned production. As a result the value of sales was only slightly ahead, from £400m to £442m, and there was a loss of £3.5m before interest and tax and £15m after interest. LVL also suffered because it was without a managing director for six months after the sudden departure of Mr. Des Pitcher in July. Mr. Abell was the first to be offered the job by Mr. Michael Edwardes, BL's chairman and chief executive. But he turned it down, believing he was best suited to managing a group of small companies like those which made up SP Industries, BL's specialist engineering division, where he was managing director.

And at SP Industries he had his problems to deal with. Both Prestcold and the construction equipment business, Aveling Barford were in trouble. Aveling Barford in particular was in serious straits because of the falling value of the dollar—construction equipment being a business where international prices are quoted in U.S. dollars.

Context Mr. Abell took over as chief executive at SP Industries in July 1975 and immediately set to work ploughing in the investment so sorely lacking in the past. Ironically, a great deal of the cash went to expand Prestcold and Aveling Barford—but it turned out to be a case of the right things being done at the wrong time, he claims.

Both Prestcold and Aveling Barford have been put up for sale by BL. Mr. Abell says he must take the responsibility for their present financial near-collapse. But he points out that all the investment was based on BL's corporate assumption that the dollar would stabilise at \$1.69 to the £. "And don't forget my successes with the other SPI companies—Coventry Climax, Alvis and Self-Changing Gears."

These three companies were shifted with Mr. Abell when eventually he agreed to move over to LVL, leaving Prestcold

and Aveling Barford very much out in the cold. Explaining the move, Mr. Edwardes maintained that SP Industries as a separate unit was out of context with the rest of the BL group. It was too small. He said it was logical to put Alvis, Coventry Climax and Self-Changing Gears into LVL "and what it has done is enable David Abell to optimise the resources of people. He is seeing how he can use the talent we have across all those companies in the best way."

Structural changes have been made already. Mr. Abell says that he found conflict between the various sales and marketing organisations within LVL which consisted of central marketing; the marketing of medium and light vehicles from Scotland; heavy vehicles from Leyland; the international team based in London and a European team in Birmingham. Each stuck very much to its own segment of the business and customers wanting a range of products had to make several points of contact. So all the sales and marketing activities now have been centralised at Leyland and Mr. Frank Andrew, 39, former general manager of LVL's medium-light truck division, has become sales and marketing director.

And the fact that Prestcold and Aveling Barford are to be sold has not precluded Mr. Abell from using some of their senior management talent for LVL. Mr. Bob Morris has moved over from Prestcold to become overseas sales and marketing director (reporting to Mr. Andrew) while two from Aveling Barford, Mr. Ian McKinnon and Mr. Tony Jordan, have become respectively, general manager of the medium and light trucks division and produc-



LVL's new high-payload Octopus eight-wheeler

tion director at the Bathgate plant. At the same time Mr. Abell simplified what was a very complex reporting system within LVL. And that is as far as the changes will go. He said: "I have told people there will now be stability. Things will stay as they are from now on and we will either sink or swim."

The new structure is enabling decisions to be taken very quickly and, as Mr. Abell points out: "Much of the groundwork had already been done. All that was needed was someone at the top to take the decisions, to provide leadership. Someone to provide a focal point." He stresses that there is no question of LVL being sold off. In any case it would be unacceptable politically in Britain for BL to allow its commercial vehicle business to be acquired by a major competitor, even if that competitor happened to be European.

Neither is there "one big deal which with a bang would resolve most of our problems. But I am in favour of a series of co-operative deals involving a number of important components."

LVL needs to improve its weak position in Continental Europe and co-operative ventures might help. Not only does it need to catch up in Europe but it is being left at the post by the several European groups who are making attempts to break into the medium-range truck market in the U.S. Soon after he arrived at LVL Mr. Abell called together his 90 senior managers from around the world to hear their views at first hand, see presentations

about LVL's future and potential and to tell them: "You might not like me but I'm the last managing director you are going to get."

The meeting raised morale and was so successful that it was repeated at various plants so that the message could be passed on to about 800 more members of LVL's management.

Mr. Abell has an uncanny ability to answer questions about any company in which he is interested in some detail because he has what is commonly called "a photographic memory." However, it is a trait which also gives the unfortunate impression that he sees all of life in balance-sheet terms.

Mr. Abell began his career as a graduate trainee with Ford and later joined AEL. There he met and worked for John Barber who was later to become managing director of British Leyland. Mr. Abell moved on from AEL to First National Finance Corporation—in those days a "fringe-bank" much smaller than it became before its financial collapse some years later.

He first joined BL in 1968 as assistant treasurer, specialising in financial analysis. When it was decided that something must be done about the losses which had developed at Prestcold he was sent in as executive chairman. He turned Prestcold round and returned to the mainstream of the corporation when he was appointed treasurer.

For 18 months he took a temporary leave of absence from BL for another spell with First National Finance. In July 1974 he was back and almost immediately was handed the job of sorting out Leyland Australia which was losing money at the rate of \$12m a month. He helped put the business back into shape and it was sold to the Australian government. In July 1976 he was back in Britain as managing director of SPI.

Mr. Abell has also become a millionaire. Not on his BL salary but because from a relatively early age he became fascinated by stock market investment and his hobby became a money-spinner. He maintains: "One of the benefits of being rich is that you can stand up and fight for your decisions without having to think about whether a fight might cost you your job. Too many managers back away when that threat is implied. "This is a high-risk job I have with LVL. But it has started much better than I expected and we have achieved a great deal in the first three months. I am enjoying myself tremendously and I certainly don't stay awake at nights worrying about what might happen."

BUSINESS PROBLEMS BY OUR LEGAL STAFF

CI and VAT

A Guernsey company provides a consultant and advisory service on a wide range of industrial problems. Some of its experts are UK residents. They are not paid retaining fees but are employed by the company; as required, according to an agreed scale of fees. What please is the VAT position? Has the company any obligations to the UK with regard to tax to which these experts may be liable? Although you say that the UK resident experts are "employed by the Guernsey company," we infer that they are in fact independent subcontractors engaged under contracts for services (not employed under contracts of service). That being so, we presume that they are each registered for VAT, and that the payments they receive from the Guernsey company are VAT-inclusive (insofar as the services are not eligible for zero rating under the VAT (International Services) Orders, up to SI1979/244 of March 5). From what you say, we cannot see that the Guernsey company itself has any obligations to either the VAT section of HM Customs and Excise or the Inland Revenue.

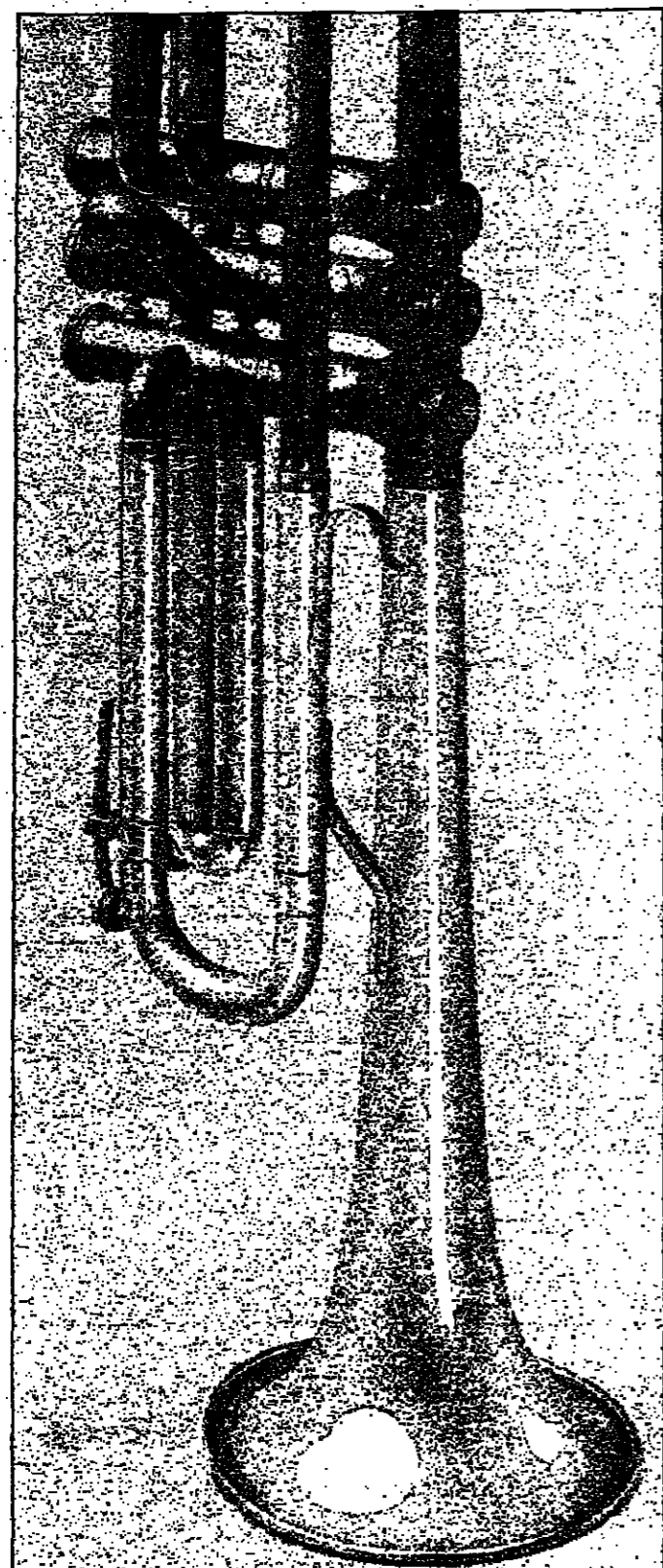
New business

I am assisting a local baker to start in business. I believe I have heard that there are certain tax-concessions, etc. given to businesses over the first two years of their life. Could you supply the details, please? As a first step, we suggest you ask your local tax inspector for a copy of the free Inland Revenue booklet called "Starting in business" (IR28). The new-business rules of case 1 of schedule D are sketched in in appendix A to the booklet. No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

SHERESS STEEL

THE management of Sheerness Steel has asked us to state that Sheerness is not a wholly-owned subsidiary of Co-Steel International, as stated on this page on March 28, but that Co-Steel is the majority shareholder, with a group of British institutions holding over 25 per cent of the equity.

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BSC (Industry) Ltd.
42 Grosvenor Gardens, London SW1W 0EB. Name: Position: Company: Address: Tel. No. It pays to get moving. FT/11

EMBARD

When 'inflation' is good news

BY ANTHONY HARRIS

SOME OF the saddest reading to be found in the City at the moment is the efforts of exchange rate forecasters to explain the rise in sterling. It clearly can't be happening, but there it is. Those who think you can get at "real" values by dividing by price index or "inflation rates" by subtracting the rate of inflation, are at a loss; their notions of "real" exchange rates clearly need revising. Yet a price index is just a number; a rise can be neutral, or can even convey good news.

Deregulation

There is a particularly telling example of this at the moment. President Carter has at last decided on the deregulation of U.S. oil prices. This news must be driving some foreign exchange experts to a form of schizophrenia. One school of experts believes (erroneously) that the lack of an energy policy is responsible for the U.S. trade deficit. They conclude (rightly) that higher oil prices will do wonders for the U.S. balance of payments, and must therefore be bulls of the dollar. However, their inflation-watching colleagues will look at the price numbers which result, and shudder. They are being frightened by a ghost from the past, and mistaking price performance for inflation.

The difference is crucial. The maintenance of artificially low prices, whether by control, subsidy, or simple Government deficit, inflates demand, and thus threatens both the balance of payments and the future value of money. The adjustment of prices is what stops this inflationary process; it is the end, not the beginning of the story. It is good news for the future value of money, not bad. We usually read these signs right on the domestic scene. Everyone knows that the huge jump in nationalised industry prices in 1975, though it contributed to the inflation figures, was a necessary step on the road back to financial sanity. When a government raises VAT, we describe its policy as deflationary, not inflationary. However, we seem to be less discriminating about inflation figures from other countries. We know the numbers but not the causes, and conclude that domestic price performance is the clue to future external

values. It is perfectly obvious that this isn't true in the short run—otherwise the fact that the Japanese yen has depreciated by nearly 20 per cent against sterling in less than 18 months would represent collective insanity. It is also true even in the long run.

There are two reasons for this, and both spring from the fact that economies are not monolithic—Great Britain Ltd. versus Nippon Industries—but varied. The Japanese experience shows how inflation can reflect efficiency; the British experience shows how the exchange rate can reflect a change in the structure of output rather than in the price level.

Japan is the classic example of what is known as "leading sector inflation." Export industries were growing in output and productivity by some 15 per cent annually. Wages in other, less efficient industries and services had to rise in step. The result was a domestic inflation rate of between five and seven per cent, but export prices were stable, and competitiveness was improving.

Even in Britain we have more and less efficient industries; and although this does not make our inflation performance anything other than deplorable, it does explain how the exchange rate can rise in spite of it. Some of our most competitive goods are better than others. North Sea oil has reduced our need to export; hence the current account can remain near balance, and the exchange rate remain stable, at a rate at which only a smaller fraction of British industry can compete.

Secondary

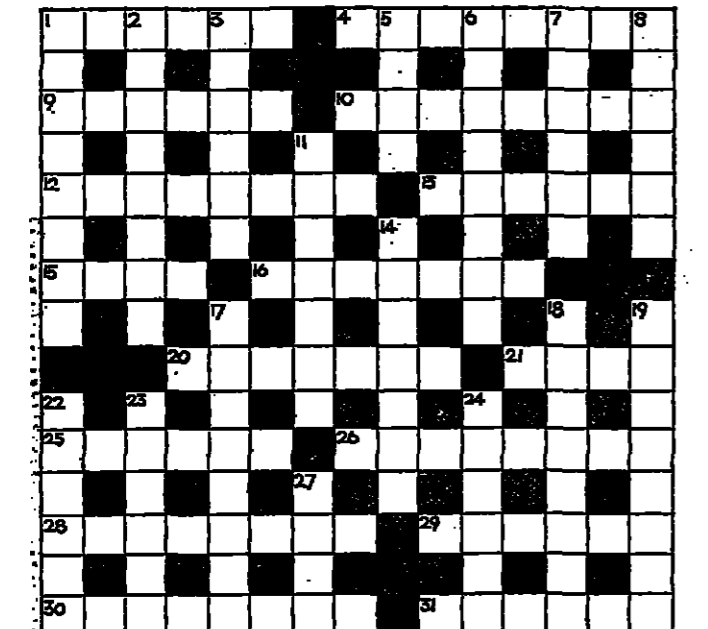
Indeed, one can go further, and point out that unless fiscal policy and exchange controls are altered to accommodate a large current account surplus, it is not enough to say that we cannot avoid it. Wage inflation is one way of losing competitiveness; what the exchange rate can afford to lose competitive advantage on existing policies we tell us that when inflation is accelerating all over the world, our home grown cost inflation is not severe enough to do the job.

Once price figures are seen in context, then, they can tell a very different story from the obvious one.

TV Radio

Out of Bounds. 5.35 The Perisher. 5.40 News. 5.55 National News (London and South-East only). 6.30 Nationwide. 6.35 The British Rock and Pop Awards 1978 (simultaneous with Radio 1).

F.T. CROSSWORD PUZZLE No. 3,945



- ACROSS 1 Brief instruction to turn over in car for one who takes a prize (6) 4 Meat in cake? It's an American dish (8) 9 In favour of getting in good condition for monetary gain (6) 10 Overlook a feast (8) 12 Shot made from approach to house (5-5) 13 Egg produced by more change (6) 15 Call for clothing round pole (4) 16 Ship with sails and tackle in ill-fortune (7) 20 Soldiers' home could frustrate yeoman initially (7) 21 Lingerie salesman making me work inside (4) 22 Beginner with no sin (8) 23 Take a position in front of a thoroughbred sports flag (8) 24 Animal transporter making Arab fight (5-3) 25 Name to touch upon (6) 27 Dry real mixture dismally (8) 31 Measures to accept vicar and animal (6) DOWN 1 Vessel directors have a kind of material love (8) 2 Making water-repellent soft chatching (8) 3 Topless stockings used in basket-work (6)

Old favourite in new dress

AS THE Easter weekend looms, I would like to commend to you an old favourite in new dress. Mid-April is the moment when most of us become conscious of the garden again. The grass already looks as if it will need mowing. Belatedly, we all start thinking how best to fill the gaps. Those who want to improve their gardens, but never get round to it until spring reminds them of the fact, head off to the nearest garden centre and buy on sight. If it was all better planned, the results might be better.

I have been enjoying a list of the plants which tradesmen recommend for "impulse" buying. Camellias, azaleas and well-grown conifers; they make few concessions to variety. But, instead of buying a big part of the trade. How best, then, to guide it and inform it if you do not share some people's faith in the beauty of natural instincts?

My impulses, once, were brought to grips with reality by a classic book for small gardeners. The Small Garden, as it then was written by C. E. Lucas, Phillips and contained basic facts about almost everything of interest. It has just reappeared as the New Small Garden (Collins; £6.50) and is now brought up to date with colour plates, many of which reveal the author's own various gardens and make them his advice, and appropriate chapters on the gardener's

armoury and other plans of attack. His taste is not always mine, but the photographs impress with his trick of deepening the perspective of a truly small garden, and contriving to make a rose-pergola look handsome even when set at an angle.

What are his special tips for the practical man? I note several, some unknown to me. Among fertilisers, he is particularly keen on the dried sort of seaweed manure. I would en-

GARDENS TODAY

BY ROBIN LANE FOX

nag. Trusting him to the letter. I remember searching for a cow-house rather than a grass field when told that gentians would thrive on the best cow-dung, well rotted and well mixed into their soil. "Goodness knows," writes Field Marshal Lord Carver, "how I should ever have made a start without The Small Garden." Many thousands have agreed, though books on every sort of thing which the Brigadier handled in five pages are now spun out to full-length and little more purpose by dozens of authors every year. He has a practical brainness to his advice, and appropriate chapters on the gardener's



with insecticide against the new need of aphid. The poison, not the lime, was putting paid to the bee. If you have as much greenfly as I do, stick to a brand like ICI's Rapid Greenfly Killer and return often to the value of Bromophos against all flies and pests in the vegetable garden's soil. It is easier here, to settle on one good thing, stick to it and use it regularly.

The insecticide, in fact, is the shining merit of this long-faded book. It is clear, brief and unmythical in its recommendations. There is much amusement on the way through, not least an insistence that garden pest number one is the jobbing gardener. Why, alone of the workforce, do these worthies never know when to stop? Give them a warning from the Brigadier's armoury and they are through the ranks of the border before you can stop them. Perhaps they were brought up to firm military training.

Vaigly Great has class to win

BY DOMINIC WIGAN

VAIGLY GREAT, Amaranda, Manor Farm Boy and Double Form are among the top runners lining up in today's Field Marshall Stakes at Newcastle. The Sevens' first major sprint this five-furlong race is very hard going and takes a lot of effort to win. Manor Farm Boy, last year's Field Marshall Stakes winner, ground last season, he is likely to perform well in the testing conditions at Haydock.

RACING

BY DOMINIC WIGAN

When he accounted for two opponents at 6-4 on with Lester Pigott, will be a popular choice with 6 lb less in the saddle. He may run prominently, but the competition is far stiffer than last year and I shall be surprised if he proves good enough to repeat the success. Vaigly Great, just 3 lb above Manor Farm Boy, is a totally different proposition. A colt who proved himself a high-class handicapper on good and fast

Haydock

BY DOMINIC WIGAN

3.00—Christanthy* 2.30—Streets Ahead 3.00—Jonny's Rocket* 2.30—General Opera 4.00—Rip Force 4.30—Phtencriff I shall be disappointed if she cannot make her experience tell in the opener, the Mornington Cannon Maiden Stakes. Pampered Girl, another to have made second place on her initial run, looks an obvious choice.

NCB operations manager

BY DOMINIC WIGAN

THE NEW marketing operations manager for the National Coal Board's 22 western area pits, based at Stoke-on-Trent, was named yesterday as Mr. Philip Daintith, aged 46. He will be responsible for the planning, movement and supply of coal throughout Staffordshire, Lancashire, North Wales, Salop and Cumbria.

ENTERTAINMENT GUIDE

Entertainment Guide listing various theatrical productions, operas, and films. Includes sections for 'THEATRES', 'OPERAS & BALLET', 'CINEMAS', and 'CLUBS'. Specific listings include 'The Royal Ballet', 'The National Theatre', and various regional theatres.

THE ARTS

هكذا من النهر

Television

Time has come for Popular Art

by CHRIS DUNKLEY

The trouble with you critics (the programme-makers say) is that it's all moan, moan, moan. You are forever telling us what's wrong with television...

The proper answer to that is Dr. Johnson's: "You may scold a carpenter who has made you a bad table, though you cannot make a table. It is not your trade to make tables."

It is not the critic's trade to make programmes, but it is most ungentlemanlike never to rise to the bait...

Now I take it as axiomatic that you and I and Humphrey Burton spend all our spare moments thinking deeply about grand opera, western classical ballet, and American Creative Writing...

This has always seemed odd because most broadcasters are convinced that television is a visual medium and although they are wrong...

You might, then, expect a lot of programmes about those visual experiences with which the mass of the audience is familiar...

Palace, Watford

The Autumn Garden by B. A. YOUNG

There are the makings of a fine play at the core of Lillian Hellman's The Autumn Garden, but they are obscured by her failure to pick out what is important in the story...

Miss Hellman keeps this story in the background, while peripheral conflicts smoulder everywhere. Rose Griggs, whose basic function is to be a dangerous gossip...



The face seen on television — Victorian innocence captured by Millais; the face seen on the streets — promoting hamburgers.



The pure beef hamburger

to like such work. But about the sort of pictures which are actually sold to viewers in their tens of thousands...

About those particular prints one programme may well be enough, but what about the revolution in domestic wall decorations which has occurred in the last few years...

Alban Berg's music and Gustav Klimt's paintings—both featured in major programmes this season—actually impinge upon the average viewer very little if at all...

But what about the aesthetic experiences which do impinge upon people every day: what about the streets in which we have to walk, with their concrete lamp standards...

The art nouveau entrances to the Paris Metro, featured yet again in a recent BBC programme by Edwin Mullins, and gorgeous though they are...

Television dwells lovingly and endlessly on the municipal buildings of ancient Greece and the Roman empire, and studies the designs of their public baths...

the public mind than all the paintings in the National Portrait Gallery put together, they are surely worth a glance from television.

Then there are those areas of life in which millions of viewers regularly make their own aesthetic decisions: not whether Mahler's tonalities are more subtle than Bruckner's...

It should be said that in some respects matters have been slowly improving: there was the recent week of programmes called Where We Live Now...

Yet it remains generally true that there seems to be far more enthusiasm among broadcasters for programmes about the raffish art and design of India...

And to make up a pair of programmes, why not a look at the way that the individual and often attractively eccentric decoration and design of the British pub inside and out...

New York Ballet

Nureyev/Babilée

by DAVID VAUGHAN

The 50th anniversary of the death of Diaghilev—and the 70th of the debut of his Ballets Russes in Paris—is being celebrated in New York by the Joffrey Ballet with a special season in which the same programme is repeated at every performance...

It should be said that in some respects matters have been slowly improving: there was the recent week of programmes called Where We Live Now, and there are small signs of a change in the traditionally paradoxical dearth of material about photography on television.

And to make up a pair of programmes, why not a look at the way that the individual and often attractively eccentric decoration and design of the British pub inside and out is being wiped out by the imposition of standardised house styles and logos by the big brewers?



Nureyev and Charlene Gehr in 'L'Après midi d'un faune'

ing one, for the evening shows the development of modern ballet from the reform ballets of Fokine, through Nijinsky's rejection of traditional ways of using space, music, and dance technique...

Concurrently, the Ballet of the XXth Century has been presenting Maurice Béjart's versions of Petruska and Le Spectre de la rose, to say nothing of his Gaité parisienne...

Catherine Dethy. The piece is a typically Béjartian rip-off, involving a square structure of aluminium tubing which is used as a trapeze, a tightrope, a halle barre, a boxing-ring—all of them intended, presumably, to serve as metaphors for life, or Life.

Babilée, as so often before personifies the existentialist: here, with his intense, ravaged features and chunky body, which is astonishing, still as taut as elastic as a steel spring...

Whitbread Literary Awards 1979

The judges for the 1979 Whitbread Literary Awards will be Jacky Gillott, Michael Holroyd and John Whitley.



Mary Peach and Sheila Reid

course, the inevitable gulf between British speech and American, but it is satisfactorily bridged. Colette O'Neill and Mary Peach give us two differently unhappy women, the brave Connie, the bewitched

Nina; Betty Hardy radiates the dollar-fuelled power of old Mrs. Ellis, Frederick's grandmother. Bob Ringwood's design for the sitting-room, Southern elegance running into decay, is atmospheric.

The Boult concerts by RONALD CRICHTON

Sir Adrian Boult was 90 on Sunday. In London two big concerts on successive evenings marked the birthday in ways likely to please him except that sadly he was unable to participate or to be physically present—that the mind is alert as ever was proved by the relay in the Albert Hall of a taped message spoken with the crisp tones of a man of forty.

The Albert Hall concert was a From in aid of the Musicians' Benevolent Fund, given in the presence of the Duke of Kent by the BBC Symphony Orchestra over whose foundation Boult presided in 1930 and of which he was chief conductor.

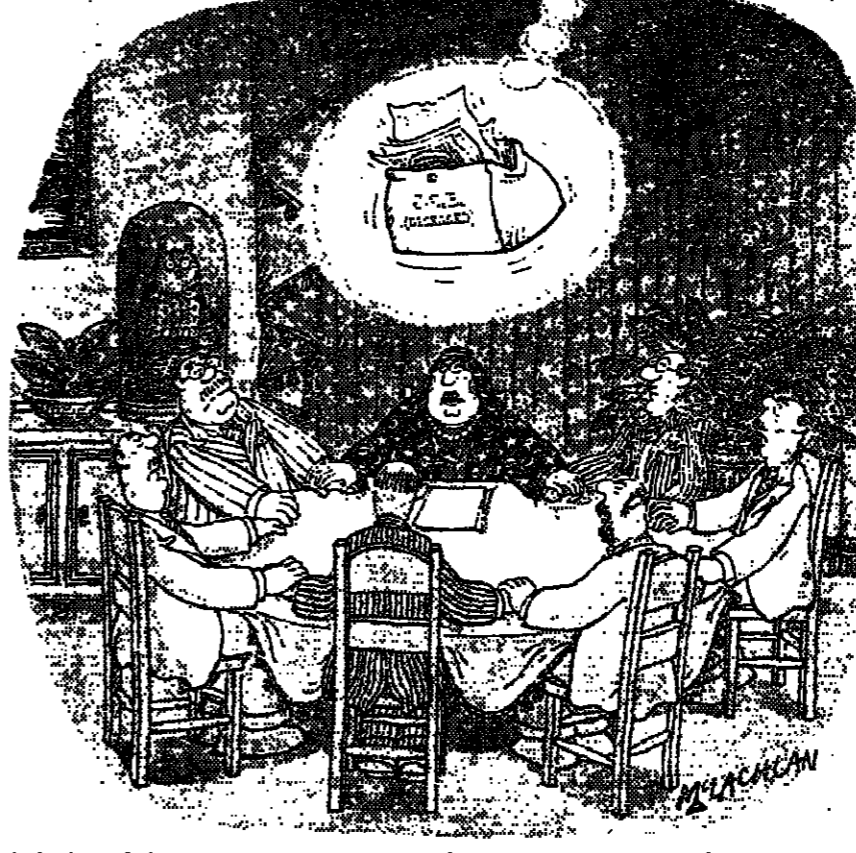
Handley (the Tallis Fantasia of Vaughan Williams) and Norman Del Mar (Elgar's The Music Makers). The Brahms was a link with conductors like Schnabel whom the young Boult heard and revered and were themselves direct links with the composer.

This choral Ode has particular appeal for those who love Elgar, but it must, one imagines, be a despair and a puzzle to those who don't. So much of his unhappiness is laid painfully bare; English reserve is turned inside-out in a way common enough now but not before the Great War...

audience was tightly enough held to forget the usual instant, facile applause. On Monday in the Festival Hall the London Philharmonic, the orchestra most associated with Boult in the second part of his career, was conducted by John Pritchard in lieu of the indisposed Haitink. The big work was Beethoven's Ninth, and very well it went. Pritchard played down the turbulences of the first movement (but not the main climaxes) but gave his and his players' all to the rest—sometimes nowadays the slow movement seems to have lost the old spell, but not in this reading. The LP Choir was keen and vigorous; Jill Gomez, Alfreda Hodgson, Robert Tear and Stafford Dean were the soloists. Vaughan Williams had the first half (did someone forget Holst?) with an affectionate but rather prosaic Lark ascending (David Nolan as solo violin) and a rousing Wasps overture.

IS YOUR BUSINESS LEAST PROTECTED WHERE IT'S MOST AT RISK?

Fire. Burglary. Bad debts. Every business is aware of these and other risks, and guards against them. Takes precautions. Insures against loss. But few are prepared for the unthinkable loss. The one that a business may never really recover from. And the one you most need to be prepared for.



He may have been strongly entrenched with your major customers. He may have possessed an unparalleled knowledge of proceedings and planning. Or buying. Or marketing. You may never find anyone as effective as him again, though in time you may find a replacement. But how much will it cost you in the meantime? His loss may mean that you miss vital delivery dates, or lose sales. He may be your man with the bank. What if they cut down your overdraft? Key man assurance can protect you against the consequence of these losses. And nobody knows more about it than Equity & Law. This is only one of Equity & Law's Business Assurance schemes. There are others which may be just as vital to your business. Talk today to your financial adviser, or contact us direct. Risk is something many of us prefer not to think about. But the alternative doesn't bear thinking about at all.

The board also want to know, Mr. Bottomley, how responsive the directors of Amalgamated Resins were to Combined Holdings bid of 21p a share and should we up our bid of 208p?

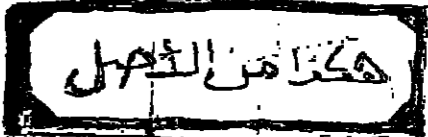
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FINANCIAL TIMES SURVEY

Wednesday April 11 1979

SYRIA



President Assad's eight years of rule have brought stability to Syria, which is now in the forefront of the Arab world's leadership as Arab opposition to the Egypt-Israel settlement widens. At the same time Syria has the essential resources, and the projects in hand, to create a well-balanced economy.

Unity brings its rewards

By Anthony McDermott

"RESPONSIBILITY TO the Arab nation." There is no phrase repeated more often by officials in Damascus these days. For Syria, perhaps more than at any other time during the eight-year rule of President Hafez Assad, feels it is in its most natural position: at the heart of the leadership of the Arab world.

It has been a formidable trek for Syria since President Sadat of Egypt first went to Jerusalem in November, 1977, and subsequently edged towards a peace treaty with Israel.

Impotence by splits within its ranks, mainly as a result of the longstanding feud between Syria and Iraq. But with the agreement "in principle" reached at the beginning of the year to form a single state between the countries a major impediment was removed. As a result the centre of the Arab world shifted strategically east of Suez.

Syria was not solely responsible for turning an opposition Arab front into the pan-Arab conference — barring Egypt, Sudan and Oman — which agreed in Baghdad at the end of March to isolate Egypt politically and economically. But Syria played an important role in linking such hardliners as Iraq and the Palestine Liberation Organisation and waverers such as Jordan and Saudi Arabia.

But for Damascus, the breeding ground more than 30 years ago of Baathism with its three basic slogans — "Unity" of all Arabs; "Freedom" from outside domination; and "Socialism" of a particularly Arab type — the Baghdad conference last month was a cause for supreme satisfaction.

Solidarity

At the same time Arab solidarity brings its own specific rewards for Syria. For years Syria has competed with Egypt for leadership of the Arab world. But behind this rivalry there has always been a fear of complete alienation, combined with a desire for co-operation.

Unlike Syria, Egypt has never been geographically exposed at the crossroads of the Levant to the invasions of armies and political ideas. As a result, whenever Egypt acts on its own, as it did in 1975 by concluding the second Sinai disengagement agreement, Syria instinctively feels isolated and vulnerable.

To counteract this it has tried to consolidate its position through moves towards union with its neighbours. After the Sinai agreement, Syria turned to closer links with Jordan. This time, in response to the crisis of the Egypt-Israel treaty, it has produced an agreement for union with Iraq — and the additional bonus of Arab consensus.

Beneath formal enthusiasm at the prospects of its union there lies caution, derived not least from the disastrous experience of union with Egypt between 1958 and 1961. For union has many implications for Syria and the fact that talk is now of a federation or confederation rather than a single state betrays official misgivings.

At first sight there would seem to be more for Iraq to gain than Syria. There is deliberate caution in the approach towards unifying the two Baath parties which split in 1966. Continuous Iraqi aid theoretically would give Damascus greater leeway in dealing with such major donors as conservative Saudi Arabia, which always becomes apprehensive when Syria enters a phase of political strength and confidence.

But to replace Saudi aid by Iraqi support could very well lead to a new form of dependence. Syria and Iraq also differ on the question of whether there should be any kind of settlement with Israel.

And there must be concern that the Syrian Government is more flexible and liberal than that of Iraq — which affects not just politics but also economic questions such as the future role of the private sector.

The Baghdad resolutions had several benefits for Syria. First, concentration on executing their clauses will buy Syria valuable time in which to evolve a new strategy towards finding peace with Israel. For, although Syria has a reputation for being militantly hostile towards any kind of settlement with Israel, this is no longer the case. In foreign affairs Syria certainly drives a hard bargain, but it remains committed to finding a settlement based essentially on UN resolutions 242 and 338.

Occupation

Second, the Golan Heights are now in their second decade of Israeli occupation and this remains a constant slight to Syrian pride. Defence expenditure has been increased in this year's budget to \$3.1bn, or more than 70 per cent of current expenditure.

Nevertheless, Syria knows that it would be heavily defeated in a fight with Israel which has not forgotten the almost successful surprise attack on its forces on the Golan Heights at the beginning of the 1973 war.

Indeed, officials say frankly that at this stage Syria has no war option. Inevitably they qualify this view with the observations that if there is to be a war, Syria should decide its timing; and that to fight now might be more in the interests of Egypt and Israel than of Syria.

Third, the Arab consensus arrived at in Baghdad makes it

less necessary for Syria to be dependent, politically at least, on the Soviet Union.

The crucial weakness in Syria's regional strategy remains Lebanon. After the withdrawal of Saudi and Sudanese troops, the peace-keeping Arab Deterrent Force consists — apart from a small contingent from the United Arab Emirates — solely of Syrian troops: about 26,000, costing about \$80m a month.

So Syria's peace-keeping mission has now more the complexion of an army of occupation and this increases the risks of local tensions leading to a direct clash with Israel.

It is definitely on the Government's mind to withdraw. Mr. Abdel-Halim Khaddam, Syria's Foreign Minister, said as much during a visit to London last month. But it is hard to see withdrawal coming about and there is no military evidence as yet even of withdrawal preparations.

It is not hard to see why: the new Lebanese army is small and only very recently formed; the political scene remains sharply polarised with President Elias Sarkis impotent; and Israel indirectly controls a strip of territory along the border in the south.

Talks of withdrawal may just be a threat because none of the basic problems which prompted Syria to send in its troops in June 1976 has been solved. It would also appear to be humiliation.

With its modern blocks of flats and its new, attractive Sheraton Hotel, Damascus has shed some of its drabness and is showing symptoms of becoming a modern and more lively capital.

But beside this apparently more liberal air, the Syrian Government remains extremely security conscious. Youths stand at the corners of all buildings of importance in the standard "uniform" of roll-neck sweater and faded trousers, machine-gun in hand — a bizarre similarity with Tehran since its revolution but in a more tightly-disciplined form.

This concern with security colours the way in which the country is run. Ostensibly it is the Baath Party with its intricate structure of cadres, committees and unions, its links with other parties in the National Progressive Front and its carefully thought out socialist ideology which governs with popular support. But in tandem there is an informal structure based on President Assad's cautious attention to, and consultation with, the different ethnic, religious and economic groups.

Realistic

This is supported by his appointment of close, trusted relatives to key security and paramilitary positions. Syrian officials are often more realistic than their counterparts in other Arab countries; but they are either extremely evasive on these sensitive issues or take foreign observations as prejudiced criticism.

Syria's history since independence has shown that it is an extremely vociferous and difficult country to govern. And its problems are not just internal. It is a sign of Syria's

constant fear of interference from outside, in this case from Israel, that it is still technically under martial law.

So it is hard to conclude that Syria could be governed effectively at this stage of its political and economic development in any way other than that chosen and evolved by President Assad. For his rule, the longest continuous tenure of the presidency since independence, has not only given the country unprecedented stability but also provided time in which to study options.

Gone are the early years of erratic spontaneous decisions generally in reaction to outside events. Instead, the Government now takes time to consider how to initiate policies.

One microcosm of this process can be seen in the economy. The overthrow of the Shah in Iran was seen in Damascus with satisfaction as an "inevitable" historical event. But Syrians were also aware of the upsurge of religious feeling in Iran and the disturbing effect which uncontrolled economic development had on Iranian society.

Syria never has had and probably never will have wealth on the scale of major oil producers. Nevertheless, the Government is thinking very hesitantly about expanding the role of the private sector within the centralised economy and encouraging foreign investment. Last month, for example, it breached the rules of the nationalised banking system which excludes foreigners by authorising the establishment of a Syrian-Jordanian bank to operate as a commercial bank.

On the one hand it is guarding against what it sees as damage to Syrian society, and on the other it is trying to make the existing machinery more

BASIC STATISTICS

Area:	71,486 sq. miles
Population (1977):	7.89m
GDP (1977):	\$21bn
Trade (1977):	
Imports:	\$10.5bn
Exports:	\$6.9bn
UK Trade (1978):	
Imports from UK:	£57.9m
Exports to UK:	£4.3m
Currency:	£ = S\$8.115

efficient—even if it involved stealing a few of the methods and personnel which make the private sector work.

At the same time Syria is much aware of not being fully its own master. The economy is heavily dependent on foreign aid, mainly Arab. This year, as a result of the decisions taken at the Baghdad summit last November, it has been given firmer assurances and a far larger sum than before, when budgetary planning was often upset by uncertainty over the quantity and timing of the aid.

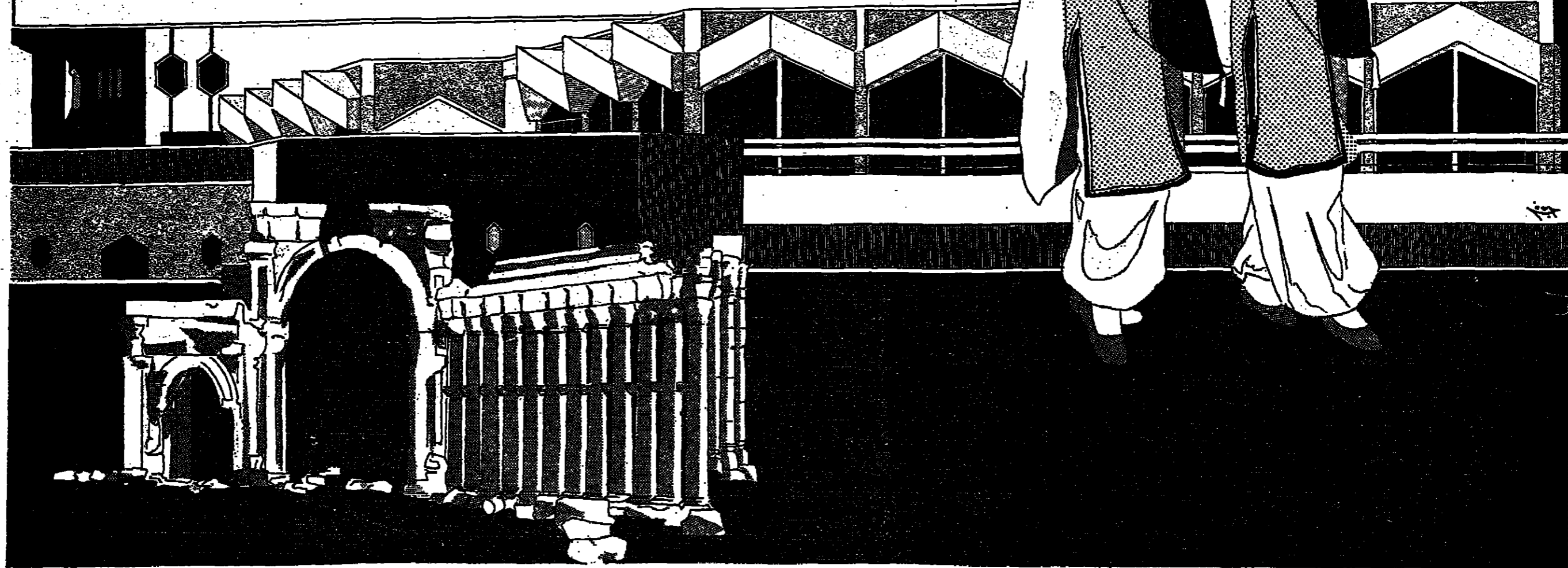
There can be little doubt that in Mr. Assad Syria has the best president available. He has never deliberately sought international popularity; rather, his greatest gift has always been to buy time in which to make decisions.

The Egyptian-Israeli treaty has presented him with his stiffest test yet. But the frustration is that in broad terms it remains impossible for the moment to make long-term decisions on his Middle East strategy and internal policies as long as developments outside the country remain unsettled.

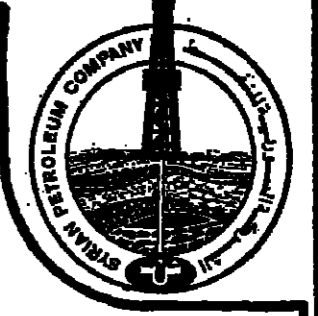


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Yria



مكتبة النهر



The Syrian Petroleum Company is one of the companies attached to the Ministry of Petroleum and Mineral Resources. The legislative decree No. 9 of 1974 has charged it with all tasks related to discovering, exploiting and developing petroleum resources in the country, especially :

- a- Making the necessary studies with regard to prospecting for petroleum and gas.
- b- Doing drilling works, supervising exploration teams and productive fields and executing petroleum and gas projects.
- c- Marketing crude oil and gas produced by Syrian oil fields.

The Syrian Petroleum Company enjoys a juristic personality, financial and administrative independence and is considered a trader in its relations with others.

Production of crude oil in Syrian fields started in mid 1968. The total output of these fields until 1978 amounted to 76,590,361 m3. Productive fields are located in north east Syria and are namely: Suwedieh-Karatchok-Rumailan-Jbesseh Ulaian. The number of drilled productive oil wells amounts to 462 wells and exploration wells to 320 wells. The total drilled meters amount to 1.282.000 m.

There is a special pipeline for transporting produced oil to Homs and Banias refineries and the export pumping station in Tartous on the Syrian coast.

The Syrian Petroleum Company has two exploration teams equipped with the most modern equipment. It started vibrating survey by national elements in mid 1978.

In addition to the direct efforts exerted by the Syrian Petroleum Company, it has, on the other hand, concluded three service contracts for prospecting oil with the following companies: Rom Petrol-Samoco-Bichten-Shell covering an area of 48.225 km2.

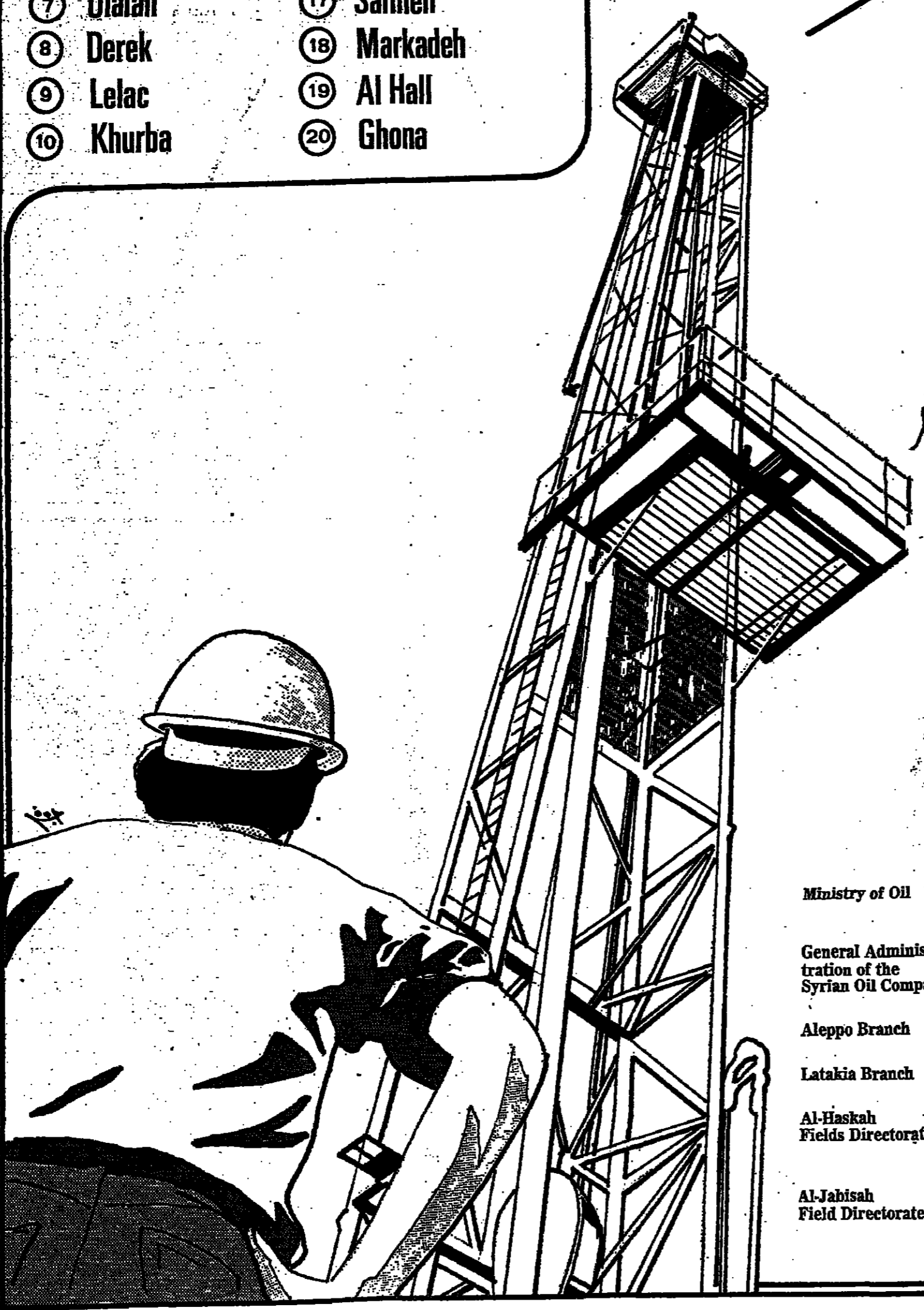
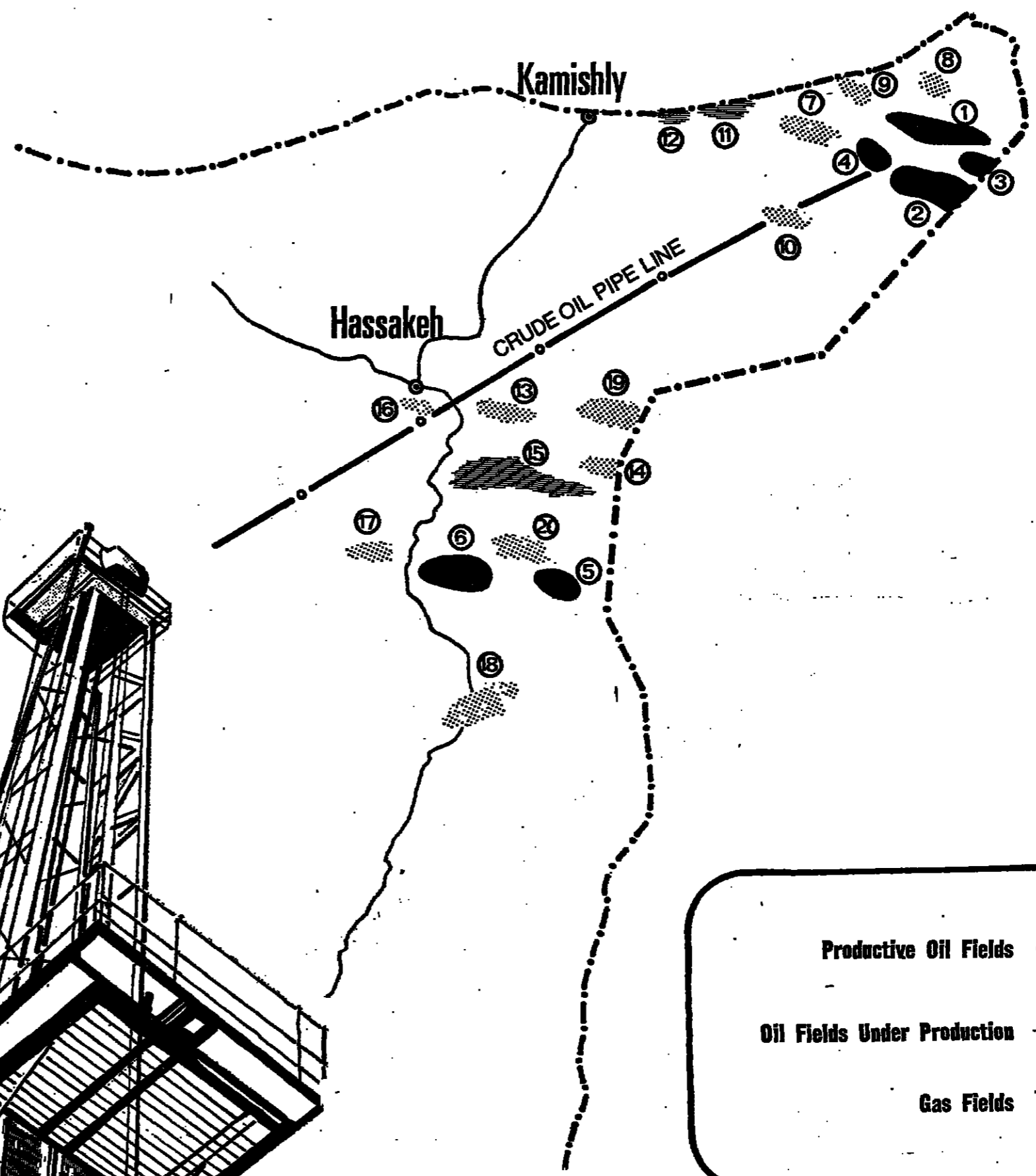
The Company shall establish during 1979 a plant for associated gases. It has also started studying the economic usefulness of exploiting natural gas fields.

The exploitation of oil led to supporting national economy in Syria. During 1975 the contribution of oil to the total local output of economic sectors amounted to 10.7%. The individual's share of the produced crude oil in Syria amounts to 1.2 tons.

Thus, petroleum industry created a new life in the places where oil is found. It opened various and numerous horizons and led to raising the level of workers.

OIL FIELDS IN NORTH EAST SYRIA

- | | |
|-------------|-------------------|
| ① Karatchok | ⑪ Said |
| ② Suedieh | ⑫ Zurabeh |
| ③ Hamza | ⑬ Sheikh Mansour |
| ④ Rumailan | ⑭ Jrebeh |
| ⑤ Kubebe | ⑮ Tishreen |
| ⑥ Jbesseh | ⑯ Sheikh Sulaiman |
| ⑦ Ulaian | ⑰ Salhieh |
| ⑧ Derek | ⑱ Markadeh |
| ⑨ Lelac | ⑲ Al Hall |
| ⑩ Khurba | ⑳ Ghona |



Addresses of the Ministry, The Company and the Branches.

	Address	Tel.	P.O. Box	Cable	Telex
Ministry of Oil	Damascus Al-Adawi, Sharia al-Khatib, al-Jaddah al-Sabi'ah	557601	4892	—	Petsar 11066 Sy
General Administration of the Syrian Oil Company	Damascus, Sharia Al-Mutanabbi	228271 228298 227007 227116	2849	Ptsyria	Sypco 11031 Sy
Aleppo Branch	Aleppo, al-Omran	20350 15536	1177	—	—
Latakia Branch	Latakia, Sharia Port Said	23559	—	—	—
Al-Haskah Fields Directorate	Al-Haskah Governorate, Al-Qamishly, Al-Ramillan	10033	—	—	—
Al-Jabisah Field Directorate	Al-Haskah Governorate, Al-Haskah.	21670	30	—	—

The General Organization for Food Industries:

Organization's address:
 Damascus—Fardos Street P.O. Box: 105—
 Cables: Unifood. Tel.: 225 290-225291.

The Authority supervises the following companies:
 The Syrian Industrial Company for Vegetable Oils.
 The Modern Conserves and Agricultural Products Company.
 The Arab Company for Manufacturing Oils and Soap.
 Al-Shark Company for Food Products.
 The Syrian Arab Company for Milk and Derivatives.
 Homs Milk Company.

The Syrian Company for Manufacturing Biscuits and Chocolate.
 The Syrian Arab Company for Manufacturing Grapes.
 Homs Company for Processing Grapes.
 The Syrian Arab Company for Manufacturing and Processing Peanuts.
 Lattakia Oils Company.
 Hama Oils Company.
 Damascus Company for Food Products.
 The Syrian Coast Company for Conserves and Food Products.
 Plant for Drying Onions and Vegetables.

The General Organization for Textile Industry
Is the authority which supervises the
following companies:

The General Company for Modern Industries
 The General Company for Spinning and Weaving
 Homs General Company for Spinning, Weaving and Dyeing
 Al-Shark General Company for Underwear
 The Syrian Company for Ready Made Garments
 The General Company for Manufacturing Carpets-Damascus
 Al-Halia General Company for Spinning and Weaving
 The General Arab Company for Underwear
 The General Industrial Company for Nylon Yarns and Stockings
 Aleppo Company for Silk Textile (Satek)
 The General Syrian Company for Spinning and Weaving
 Al-Shahba General Company for Spinning and Weaving
 Hama General Company for Cotton Yarns

Organization's address:
 Damascus-Fardos Street,
 Tel: 116 201-116 200-P.O. Box: 620
 Cables: Unifex Telex: 11011

Products of the Organization's Companies:
 Woolen and mixed Yarns
 Underwear and ready made clothes
 Socks and Stockings of all kinds
 Made up Silk Carpets
 Medical Vapophile Cotton and Gauze
 Machine made and Woolen Carpets
 Cotton yarn
 Silk yarn
 Synthetic Yarns

مكاتب العمل

SYRIA IV

Careful strategy on Egypt

UNTIL such time as President Sadat is toppled and his policies reversed Syria regards Egypt as enemy Number One, displacing even Israel. Efforts to enforce the political and economic boycott of Egypt, agreed at Baghdad in March, have the highest immediate priority. These objectives are not viewed as a prelude to war with Israel, but to negotiations for a just peace.

To those unfamiliar with the Arab world this may seem an unlikely corollary of the Baghdad sanctions against Egypt. Nonetheless, this is Syria's strategy. President Assad was relieved that Saudi Arabia joined the front against Egypt and he believes that Syria is part of a broad, strong front which will enable it to talk from a position of relative strength.

At the heart of the unified position agreed at Baghdad is Syria's rapprochement with Iraq which was necessary before common ground could be established between so diverse a group of states as those now jointly opposed to President Sadat.

The Baghdad summit of Foreign and Economic Ministers also affects Syria's relations with the two superpowers. Saudi Arabia's inclusion in the front leaves President Assad freer in his options with the Soviet Union. Inevitably, President Carter's brokerage of the Israel-Egypt peace treaty will mar relations with Washington, but Syria is not likely to allow the political climate to deteriorate to its own detriment unless it is unavoidable.

Collapse

The results of Baghdad also buy the Syrian leader time to look at other matters of concern in the region. The sudden collapse of the strong regime in Iran has not gone unnoticed. Syria is making its presence felt discreetly in the Horn of Africa, and in Yemen.

The respite may enable Syria to improve relations with Turkey which have been strained lately. Closer to home, fatalities in Syria's forces in Lebanon are a regular reminder that the Lebanese problem will not fade away.

It is a point of Syrian dogma that the Egyptian leader's isolation will lead to his overthrow. Syria's policy is to find a negotiating formula based on United Nations resolutions once the objectives of Baghdad have been fulfilled. It is less clear whether Syria and fellow Arabs will wait only for the implementation of sanctions against Egypt or whether his overthrow is the prerequisite for the opening of international peace talks.

A senior official explained: "The point is delicate. This policy of Sadat's is so dangerous that we will employ all our resources to make the treaty fail. Our task after the isolation of Sadat is to disprove the belief in the West that Egypt alone makes peace or war. We will show the Arabs can work for peace."

The same official stated firmly that Syria will not trigger a war with Israel just to unseat President Sadat. He said: "It is not within our strategy to topple Sadat through a war with Israel. If we are obliged to go to war it will be to liberate occupied territories. Going to war might not be judicious. It might serve Sadat's interests."

The Baghdad front would have dissolved into different factions had it not been for the unification talks which started last November between Iraq and Syria. In agreeing to unite forces in the face of a common threat, Damascus and Baghdad set a vigorous example to their fellow Arabs.

The constitutional union proposed is not without its difficulties. Syria might be regarded as the junior partner since Iraq is stronger economically and militarily.

One of the great benefits of the Baghdad meeting is that Syria will be able to avoid moving closer to the Soviet camp. Last month's visit by Mr. Andrei Gromyko, Soviet Foreign Minister, underlines the role of Syria as Moscow's last reliable ally in the region apart from South Yemen. Syria needs the Communist superpower to redress the military imbalance caused by the defection of Egypt from the confrontation states. But an Arab diplomat stressed that Syria is happier with the anti-American pressure of Saudi Arabia than the option of closer links with the USSR.

To ensure that Saudi Arabia resisted pressure from the U.S., Syria and Iraq themselves put considerable pressure on Riyadh. Their cohesiveness and combined military might apparently was sufficient.

This victory of influence is important to Syria as it squares up to the U.S. to try to bring down the peace treaty. There is

no suggestion, however, of an Arab boycott against the U.S., as Mr. Abdel Halim Khaddam, Foreign Minister, made clear in an interview with a French newspaper.

Despite Syria's hearty welcome to the regime of Ayatollah Khomeini in Iran it must be said that an Islamic republic in the region is not entirely in President Assad's interests.

Causes

There are three causes for concern: the sudden collapse of power of any leader sets an unhealthy precedent; a fundamentalist Muslim regime is antithetical to Syria's Baathist views; and instability might spread across borders either through minorities, of which Syria has many, or through resurgent Communism, which the Syrian leader has gone to some trouble to bring under his wing. That President Assad regards the spread of Communism with suspicion was demonstrated clearly in February when Syria and Iraq jointly threatened South Yemen for its military support of rebels moving against the regime of North Yemen. Their success in stopping hostilities on the Yemen border left the Baath party in North Yemen in a much stronger position.

Across the Red Sea, Syria would hotly deny that its support of the Eritrean Liberation Front is anti-Communist, even though it is fighting the Soviet-supported government in Ethiopia. Syria points out that it supported the Eritreans against Haile Selassie because of the justice of their cause, not because of ideology.

Two problems remain with Syria's neighbours: a minor one—almost an aberration—with Turkey, and an overwhelming one in Lebanon.

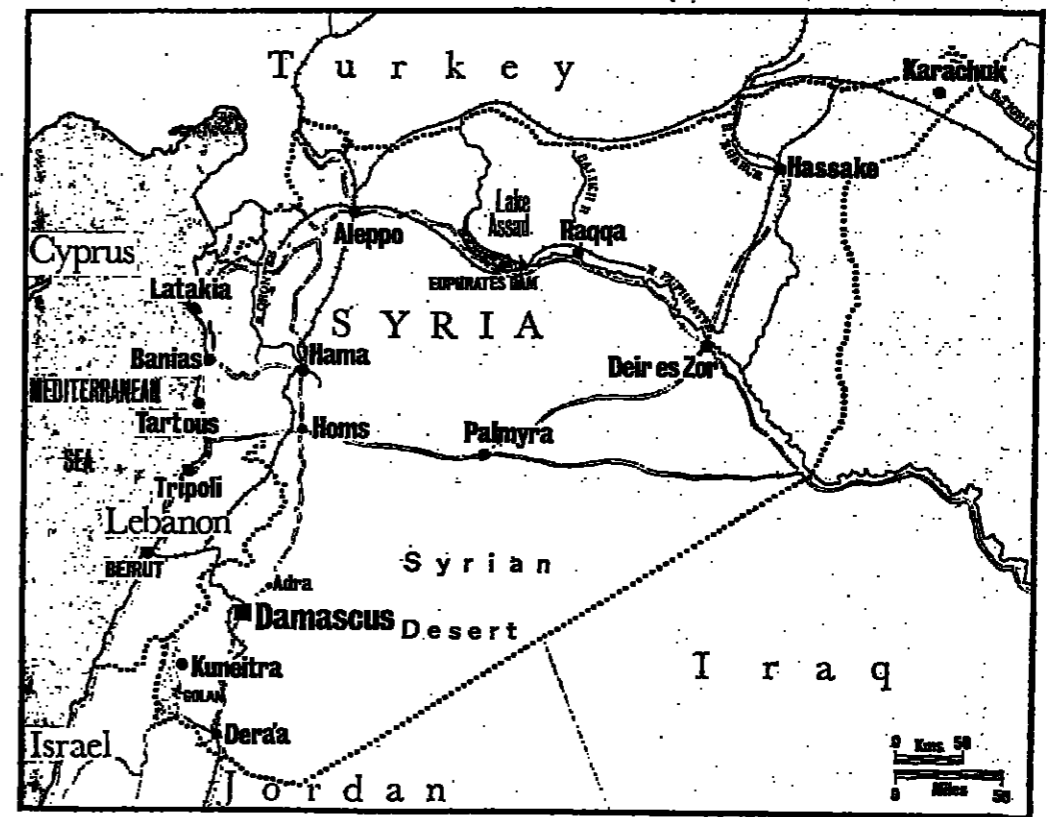
Turkish problems erupted in October, 1977 when Syria stopped a Turkish train of Russian supplies bound for Iraq, preventing it from leaving Qamishliye. Food on the train rotted and Syria would not return the train to Turkey for months, according to diplomats. Difficulties are connected to the Syrian-Iraqi voting alliance in the United Nations and elsewhere and the Turkish-Egyptian common vote over Cyprus. At one point the Latakia-Famagusta ferry was halted.

Syria even stirred up pre-1938-45 war memories in Turkey's Haydar province, where Arabs have historic links with Syria. Officials say relations have returned to normal but in the background is Turkish anger at having to take measures and tighten border security to stop the smuggling to Turkish dissidents of arms from Lebanon, where Syrian forces have a measure of responsibility.

Syria has recently threatened to pull its forces out of Lebanon, where the Arab deterrent force, including 26,000 Syrian troops, has failed to achieve its goal of unifying the country. This is a form of pressure on President Sarkis to take more imaginative action to control Lebanon's Maronites.

There has been no sign of a pull-out and the chaos which would follow would benefit only Israel. Syria was happy with the passage of the Lebanese Defence Bill, signed last month by Mr. Sarkis, which weakens Maronite influence in Lebanon's armed forces. Syria is well aware that Israel could use Lebanon as a weapon against her, especially since the Maronite forces are already allied to Israel.

Michael Tingay



Infrastructure weak

THE ROAD, railways and communications network of Syria were inherited from a period before the modern state existed. One effect of this is that the north-east of the country is linked only vestigially to the main concentration of people who live in a broad north-south band parallel to the coast.

The stability of the last eight years has facilitated development of communications, power, water supply and the necessities on which an economy can be built, but Syria has far to go before communities in the north-east are properly integrated into the main economy concentrated in the west.

One difficulty is the absence of adequate data which planners can use as a starting point, combined with an ill-developed administration, which means that development efforts are often wasteful and contradictory. The failure to develop the human and administrative skills is holding back development of the foundations of the economy.

Being unable to solve the problem from within Syria looked for outside help. The Government has had success in harnessing foreign resources to develop water control, power supplies and improve roads, railways and ports, as well as to develop training and technical skills. Money, technology and expertise has been flowing steadily into Syria from Eastern bloc countries, Arab oil-producing states and, more recently, from the West.

Road and rail links were constructed when the land which is now Syria was a series of provinces originally in the Ottoman Empire and, after the first world war, in French-mandated territory. Aleppo was at least as important as Damascus,

which used Beirut as its port. Road links to Damascus from Homs and Hama were not good and the generation of what is now Syria's early middle age would have gone down to Beirut rather than Damascus for business or social trips.

Damascus is now linked to Homs and Aleppo but is on the narrow-gauge Hejaz railway system, the same one which Lawrence of Arabia sabotaged. This splendid relic of German engineering links the capital with Amman in Jordan. The ancient steam locomotives (there are nine, the oldest a Swiss engine built in 1892) and their rickety wooden carriage, steam past the new Sheraton Hotel each morning emitting a shrill and persistent whistle.

But the Hejaz railway is one of the public sector companies which makes a profit, having amortised its capital costs many decades ago.

Surveying

The Soviet Union has been engaged for several years in improving the railway network. The new Latakia-Aleppo-Qamishliye line was finished in 1975 and the system is steadily being extended southwards. Site surveying has begun on the section which will link Homs with Damascus. The USSR has just completed the new railway from Homs to the phosphate mines near Palmyra. This line and the northern network to the oil fields are significant in linking productive areas of the east to the population centres of the west.

The road network has greatly improved in the past three years with the expansion of dual carriageways but the extensions have barely kept abreast of the rapid increase in the flow of

goods by road. Up to 90 per cent of freight in Syria is moved by road. Congestion was serious before the rapprochement with Iraq but the transit of Iraqi goods to Latakia and Tartous ports is steadily increasing the pressure.

There are seven new road projects either agreed or under way. In all cases foreign assistance work with the Syrian public sector comes under the framework of the five-year plan. The projects are:

- The Aleppo-Homs highway, all single carriageway in 1976, is now almost all dual carriageway and the World Bank has awarded \$68m to finish the work and to build a by-pass round Homs, which is hopelessly congested.
- The Homs-Tartous road is being widened by Syrian publicly-owned contracting companies.
- The busy stretch from Tartous to Latakia will be improved with American money (USAID has signed a \$60m loans agreement).
- The north-east network north of the Euphrates River badly needs improvement. World Bank and Saudi Arabian development fund loans have been granted for studies. (The World Bank contribution is \$1.2m and the British group Rendel Palmer Tritton is doing the study.)
- The Kuwait Fund for Arab Economic Development has allocated \$12m for improving the Palmyra-Deir el Zor section of the route from Aleppo to Abu Kemal, near the Iraq border.
- Work will begin soon on the new road from Damascus to Deraa on the Jordan border. It will be paid for by a 1976 \$48m USAID loan.

- The section of the Damascus-Beirut highway as far as the Lebanese border is being widened and strengthened (11m from the Saudi Arabian Development Fund).

Syria's ports have been under continuing pressure since the closure during the Lebanese civil war of Beirut port, which had always been the main port for Damascus. Initial congestion in 1978 was eased with the construction of a new breakwater at Latakia. This year a second extension will provide a deeper-water harbour and permit construction of extra berths.

Berths

Eight new berths plus offshore loading facilities in deep water will mean a considerable boost to capacity. Whether this will be enough to compensate for the extra trade resulting from the Syria-Iraq road and transport agreement of January, 1979 (part of the unity process) remains to be seen.

Improvements to power and water supplies was one of the cornerstones of Baath government economic policy. The Thawra power station at the Euphrates Dam can produce up to 600 MW from three turbines and the fourth will bring this up to 800 MW. The Soviet Union, which built the dam, has assisted development of a national grid which is patched into the oil-fired power stations at Banias, Homs and Damascus.

Early hopes of large-scale export of electricity proved to be exaggerated, but Syria will have ample power for its own development schemes. The government's goal is to electrify all villages with 1,000 inhabitants or more by 1981.

CONTINUED ON NEXT PAGE

Foreign aid supplied in abundance

SYRIA HAS succeeded in attracting aid in unprecedented quantities since the 1973-74 oil price rise. But the move to open the economy to foreign investors, for which there were once high hopes, has been faltering, hindered by distrust of the Baath social government's real economic intentions.

The Soviet Union has been the firmest of Syria's friends. Russian and East European economic assistance, part of it on a strictly commercial basis, was the bolster of the economy in the 1960s when Syria had a reputation for chronic instability and regular violent changes of regime. This impression did not really change until after the 1973 war when the oil-producing States started directing money to Damascus initially to repair war damage.

At the same time the stability of President Assad's regime began to be appreciated in the West. European assistance began to trickle in on a larger scale. In the past few years Soviet assistance has been left far behind by the huge flows of money from the Arab world.

Since the reopening of relations with the U.S. four years ago, Syria has risen rapidly in the hierarchy of U.S. A.I.D. recipients, receiving \$90m last year, which was only surpassed by Israel, Egypt and Jordan. There is no political significance in the drop in the coming year to \$60m.

The Soviet Union claims that its own assistance to Syria is averaging \$100m a year, though it is obviously much lower than this following completion of the Euphrates Dam, which alone cost \$400m. East European states have provided loans and technical help for a number of projects on a more commercial basis. These include: Czechoslovakia (tyre factory); East Germany (cement factory, electricity transmission); Bulgaria (irrigation); USSR (defence, irrigation, electricity, railways); Yugoslavia (port expansion); Rumania (textile factory).

Bilateral and institutional Arab aid began to expand after the oil price rises. With the exception of a period in 1976

when Arabs initially opposed Syria's involvement in Lebanon, money from oil states, mainly as budgetary support, has grown steadily. In 1975 Syria is believed to have obtained more than \$500m, a level of aid which fell by almost half in 1976.

Eventual acceptance by the Arab world of Syria's role in Lebanon led to a resumption of budget support, giving Syria at the end of 1976 \$450m in bilateral development assistance and \$150m a year (paid every six months) to pay for its peace-keeping contribution in Lebanon.

But there is confusion over exact figures of Arab money, not least because Syria passes money for military development and capital equipment for armed forces through the current budget.

Gauged

Some idea of the size of Arab budgetary support for Syria can be gauged from the fact that the Baghdad summit last November put the level of aid to Syria as a confrontation state at an annual \$1.85bn, said to be the largest development aid in the world. This sum includes earlier annual commitments to Syria agreed at the Khartoum summit of 1967 and the Rabat summit of 1974, of \$170m and \$550m respectively.

Syria is accustomed to somewhat shaky delivery of promises by the Arab oil states, but Iraq already has paid its first quarter contribution. No other figures have been announced.

How this money is being spent can be seen from the increase in allocations for national security in the 1978 budget. At \$28.2bn it is almost twice the 1977 allocation. This is not to say that this money goes only to defence. The Syrian concept of strategic development includes building its economic base.

Direct funding by Arab states or Arab institutions for purely economic projects has been considerable. In 1976 the Saudi fund for development signed agreements for: expansion at Tartous port (\$25.5m at 3 per

cent interest); Latakia port (\$24.1m at 3 per cent); the Damascus-Lebanon Highway (\$11.3m at 2 per cent); and Tishrin Military Hospital (\$14.2m at 2 per cent). In 1978 the same fund signed a \$14.9m loan agreement for a submarine cable from Tartous to Crete and \$14.6m for the Damascus air terminal.

In 1976, \$101m was allocated from UAE sources including the Abu Dhabi Fund for Arab Economic Development for a series of projects, including finance for three sugar plants (at Rakka, Meshneh and Ghab); a paper mill at Deir el Zor, and a new hotel in Damascus (not yet built).

In the same year the Arab fund for Economic and Social Development allocated \$41.5m to improve the Damascus water supply. The Kuwait Fund for Arab Economic Development has allocated \$12.2m for the Palmyra-Deir el Zor section of the Eastern Desert Road, though work has not yet begun.

Many of these loans have been made in conjunction with project commitments by international institutions, or Western development projects. Since it began operations in Syria in 1972 the World Bank has allocated \$415m. This includes World Bank credits for highways, water supplies, irrigation, electricity, telecommunications, livestock and education. Total United Nations assistance, mainly through the United Nations Development Programme is more than \$40m.

The U.S. is the largest Western aid giver. Since the U.S. A.I.D. programme began in 1975 the U.S. has allocated \$350m to Syrian projects. The concentration is on training and development of rural infrastructure. Jordan and Syria each receive between \$60m and \$90m a year from U.S. A.I.D. according to the state of project implementation, making them the third and fourth recipients of U.S. A.I.D. after Israel and Egypt. American help is far larger than that of Western Europe, which has allocated less than \$50m in development assistance this decade.

Most of the international effort has been directed to creating the economic foundations on which development will be built. Investment in revenue-producing projects has not had the same impetus. The Syrian government and public sector provide about 90 per cent of investment, leaving only 10 per cent to private and foreign money. Syria has been spending \$25-6bn a year on infrastructural, industrial and commercial investments for the past five years. Public sector investment in the five-year plan was set originally at \$24bn and private investment at \$29bn (this has dropped to \$23bn and \$27bn respectively).

At the heart of the confusion which surrounds the investment climate in Syria is a contradiction between economic pragmatism and the principles of applied socialism of the ruling Baath Party. President Assad has brought in sweeping liberalisation of the economy in the past five years. He has liberalised trade and harnessed foreign earnings from Syrians abroad by permitting a 'grey' market in money and goods. While maintaining an official commitment to the stringent dogma of the Baath party, he has stimulated the traditional entrepreneurial qualities of Syria's private sector.

Step

However, the private sector, which is already blessed with the most lax application of tax laws imaginable, is anxious for the next step—a formalisation of its improved status in new laws giving it protection. Diplomats say no investment laws have been repealed since the initial phase of Baathist economic legislation in 1963 and 1965. Some believe that the private sector will not expand its commitment to the economy until fresh laws are introduced. The private sector is sensitive to the sudden changes in regulations and interpretation of rules.

Recently, private contractors were outraged to learn that they were unable to bid for improvements at Damascus airport because of a rule restricting contracts above a certain (very low) value to public sector companies. The row was aggravated because the finance was coming partly from the Saudi fund for development. Once the details were published in the foreign Press the rules were amended to permit private bids in foreign-financed projects.

New decrees and regulations have been steadily added to the mass of legislation covering investment. Interpretation depends on the political mood—and this is the cause of the uncertainty. For example, last December the authorities rounded up the illegal money changers, then released them after apparently deducting a proportion of their hard currency gains—a cross between a fine and taxation.

Foreign investment has barely materialised. The Kuwait Real Estate Investment Consortium is pulling out of Syria after a dispute with the government. The Syrian-Saudi company for Industrial and Agricultural Investment has set up an office. There are foreign investments in two hotel projects and a Spanish stake in a joint venture tractor assembly plant at Aleppo.

Arab capital obtained the benefit of an investment protection law in 1975 but this encouraged private Saudi Arabian and Kuwaiti property

and land purchases rather than productive investment. Other foreign investments should be covered by bilateral agreements negotiated individually by certain foreign governments.

Switzerland, France, West Germany and Italy have signed bilateral agreements. These protect the would-be foreign investors if they enter joint ventures with the Syrian public sector but Syrian unwillingness to put up risk capital has made these agreements rather academic.

No better example exists of

the conflict between the administration's desire to liberalise with the need to avoid confrontation with the economic dogmatists of the Baath party than the free zones. Such is the stress placed on freedom of action for companies operating in the zones that officials seem to regard the absence of data and facts about operations with a sense of pride.

The General Establishment for Free Zones (set up in 1971 but given a boost last year by new decrees) is in charge of six free zones. Since the

impetus given to the operation last year permission has been given for 40 factories or warehouses to be built. The authorities claim that 20 factories are in operation but will not name them, or give details of numbers employed, or the products made. The main impetus is actually to commercial and financial operations and warehousing for re-export. There is a joint Syrian-Jordanian-owned free zone under construction at Deraa on the border of the two countries, specifically for industrial activity.

Dr. Taha Bali, president of the board of the free zones authority, stressed that the government involves itself so little with companies operating in the free zone that it was natural not to know details of activities. He explained that his organisation gets rents and revenues from the tonnage of stocks passed through the system. In this way the cost of constructing the sites and providing services could be paid for. The indirect benefits come from wages paid to Syrians.

Michael Tingay

Damascus International Fair 4-23 July

The immortal city of Damascus has a date with the world which is renewed every year when its International Fair opens to exhibit the latest and most advanced developments of the modern world in the fields of science, production, culture and art, thus, offering mankind all that is good for achieving more happiness and luxury.

Syria, which initiated in 1954 the first Fair in the Arab region, was able to support this great manifestation year after year and made out of it an annual meeting of various peoples and nations that paves the way for constructive exchange in the fields of industry, commerce, arts and science outcomes. All this has made of the International Fair of Damascus an important economic event to which every producer, importer and consumer looks forward.



Infrastructure

CONTINUED FROM PREVIOUS PAGE

The dimension of the information problem in Syria cannot be overstressed. Different ministries often have adequate knowledge of basic data in their own fields but there is no central data bank. This leads to inefficiency and gross waste of resources. Ministries have embarked on expensive schemes which conflict with work by other departments and sometimes with projects financed by foreign aid.

But the intrusion of ideological planning in the economy leads to decisions like one, quoted by diplomats, where sugar beet processing factories were built before a successful beet-growing industry had been established. Four were built but only one is in operation. Other cases are cited where two organisations are developing separate projects based on a single indivisible resource, each with no knowledge of the other's activity.

Syria has been skilful in attracting foreign assistance to

lay down the foundations of the economy. In the 1960s the Soviet Union provided loans and development assistance. The biggest project was the \$400m Euphrates Dam which was completed in 1975. This provides the basis for the national electricity grid. The East Germans have been helping to build the transmission system, now the weakest link in the chain of power supplies.

Assistance from the Soviet Union and Eastern Europe began to fall off in money terms when the dam was completed. The big Russian effort now is with the railways. Other East European help is of a rather more commercial nature (Bulgaria for irrigation and Yugoslavia for port development).

During the 1970s Syria has received huge sums in aid and soft loans from Saudi Arabia and oil-producing states. The U.S. concentrates on a few infrastructural projects such as improving the road network and water supply, especially in rural areas.

Telecommunications improvements await the results of Syrian efforts to buy a French all-numerical exchange system. Phone and telex links from Damascus abroad are good compared with some other Middle Eastern countries, though they are poor within Syria. The World Bank allocated \$28m for improving the phone network in a 1976 agreement.

Syria is spending almost one quarter of public sector investments on infrastructure. In the five-year plan more than 10 per cent of investments are directed towards electricity and water supplies, and more than 12 per cent goes to transport and communications.

Electricity generation and distribution have the highest allocation (\$1,554m) followed by railways (\$2,948m); harbours (\$2,684m); roads (\$2,602m); water supply and distribution (\$2,610m) and the phone system (\$2,302m).

M.T.

THE SYRIAN GENERAL ORGANIZATION FOR INSURANCE

Is the sole organization in the country for all types of insurance: Life—cars—land and sea transport—fire—personal accidents—civil responsibility—engineering works—aviation—robbery—ships' bodies.

It has branches in all regions of the country and two agencies: one in Lebanon and the other in Jordan.

Declared Capital : Syr.P. 10,000,000
Paid up Capital : Syr.P. 6,000,000

Head Office: Damascus
Tajheez Street
P.O. Box 2279

Tel: 118430 222276 229507 111276
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هكسان المثلث

SYRIA VI

Agriculture still a cornerstone

SYRIA'S ROLE 2,000 years ago as the granary of the Roman empire gave a strategic importance to agriculture that remains close to the hearts of the rulers today.

Agricultural performance in recent years has been erratic, due to the heavy dependence on rainfall, the natural disruptions that come with implementing an extensive land reform programme, caution about investment by the private sector and a relative lack of management experience on the part of government personnel. Weak services and credit bottlenecks have also contributed their share to an inconsistent performance by the agriculture sector.

Nevertheless, agriculture remains the cornerstone of economic development policies in Syria.

The current five-year development plan expects the agriculture sector to grow at an average annual rate of 8 per cent, compared to only 5 per cent in the last plan. But the share of agriculture in real GDP is expected to decline to 14 per cent at the end of the plan period in 1980, from 21 per cent in 1977. This would represent a continuing decline from 1970, when agriculture represented 21 per cent of the real GDP.

The goal of Syria's agricultural plans remains the potential for self-sufficiency in several foodstuffs, notably grains, sugar, poultry and some fruits and vegetables, which means export-oriented industrial crops as cotton gradually will be overtaken in importance by wheat, barley and sugarbeets.

The single most important project in the agricultural sector is the massive scheme to irrigate ultimately 640,000 hectares of land in the Euphrates Basin (discussed in detail in another article in this survey) which is regarded as a long-term project to be implemented in the next 30 years.

175,000 tons of olives, 647,000 tons of milk, and 672m eggs, to name only the most important items.

It remained, however, a large net importer of agricultural products. It imported \$81.165bn-worth of foodstuffs in 1977, and exported only \$E145m (with another \$E836m of cotton exports), giving a net deficit in agricultural foodstuffs of \$E1.022bn.

Some of the imported foodstuffs, such as fruit, vegetables and sugar, will be produced locally in sufficient amounts to meet domestic demand as new irrigation projects start in the coming few years, both in the Euphrates area and in the two other big irrigation schemes covering an additional 22,000 hectares around the Orontes and Khabur rivers, in the north-western and north-eastern parts of Syria respectively.

A system of classifying land into five different kinds based on the amount of average annual rainfall will also maximise the productive capacity of the rain-fed sector. Wheat, for example, is being withdrawn from marginal areas and planted in regions where mean rainfall is more than 350 mm—a move which has already shown good results by keeping production above 1.2m tons in 1977. Wheat, fruit and vegetables are now being given the best rain-fed lands, with barley and lentils taking over former wheat-growing areas.

The need to grow vast new quantities of sugar beet to supply four new sugar plants involves cotton-growing areas being taken over by sugar beet.

A parallel effort, which has already shown success, involves reducing the area of fallow land to make maximum use of cultivable earth. Farmers are being encouraged to grow leguminous fodder on land they use to leave fallow, which is proving particularly feasible in those regions of the country where the average annual rainfall exceeds 350 mm.

The interplay between private and public sector interests remains finely tuned in Syrian agriculture. While the vast majority of agricultural lands are privately owned, the marketing of produce is in state hands, and the state is responsible for an annual plan which determines what types and quantities of crops will be grown by each farmer.

The state also licences all aspects of the agricultural sector, such as drilling of water wells, as it controls the provision of equipment and services such as tractors and machinery, fertilisers and insecticides—and, of course, credit.

The Ministry of Agriculture licences all farmers and certifies that their land use is consistent with annual production targets, although farmers with less than two hectares or those cultivating rain-fed land with an annual rainfall of under 250mm are exempt from such regula-

tion.

The state also makes a commitment to buy all output at a price that is set before the growing season starts. The rising posted prices for many produce serve several purposes, among which are incentives to meet agricultural targets, stabilisation and distribution of incomes, and the raising of farm incomes to encourage rural workers to stay where they are instead of joining the exodus to the cities.

While the state plays the dominant role in directing farmers in the kinds of crops they should produce, as well as providing required infrastructural and technical facilities, the land itself is owned by the farmers, which gives them the incentive to work it to its maximum productivity. A system of bonuses for early deliveries of crops further encourages the farmers' initiative.

There is also a problem of inadequate storage capacity for the imported food that is now entering the country in large quantities, though this will be resolved shortly with the construction of silos, as well as by converting some wheat silos to store animal feedstuffs.

Another way in which agriculture embodies the interplay between private and public sector forces in Syria is the willingness, perhaps even enthusiasm, of the government to establish joint venture farming projects and agro-industries with private foreign capital. According to officials of the Planning and Agriculture ministries, foreign investors may own up to 100 per cent of the capital of new projects in the tourism and agriculture sectors, with guarantees on the full repatriation of profits.

While detailed discussions have been and are still being held with several Western companies about starting up new farming projects on a joint venture basis, actual implementation appears to be slow. One new company with private Saudi Arabian investment has been established, and it is likely that more such arrangements with other Arab interests may materialise before a big deal is agreed upon with Western investors, who have been slow to investigate opportunities in Syria, in part because of the country's image as being anti-private capital.

Recognition

Statistics for 1977 show that about 98 per cent of the cultivable area of 5.864m hectares was owned by private farmers. A full 76 per cent of Syrian land was worked by private families; 22 per cent was grouped into co-operatives, and only 2 per cent of the cultivable land was owned and operated by the state, an obvious political recognition of the fact that private farming tends to be more efficient than state-owned agriculture. In 1977, there were 3,432 co-operatives with a total of 267,265 members.

Livestock is receiving substantial new investment in the form of poultry complexes, cattle-breeding stations, artificial insemination facilities and veterinary centres. A \$17.5m World Bank project is under way to strengthen this sector by providing money for farmers to buy feed and by upgrading veterinary facilities in the field.

From 3.5m head in 1952, the sheep population of Syria has grown steadily to reach more than 8m this year. There are 750,000 cattle, 2m goats and more than 5m laying chickens. The livestock sector accounts for about 35 per cent of total agricultural output, and its share will remain high as new projects begin.

In fact, there are now some fears that the rapid increase in the country's livestock may aggravate the encroachment by the desert because uncontrolled grazing in the eastern part of the country, coupled with only rudimentary range management, is wiping out the vegetation there.

After exporting barley for many years, Syria is now a net importer of animal feedstuffs, and likely to remain so for many years. The lack of feed has replaced lack of credit as the main obstacle facing the livestock sector.

Balance

Parallel with the move to increase irrigated areas are efforts to intensify the use of lands already under cultivation and a striving for more balance between the animal and vegetable sectors.

Investments in agriculture during the current plan period are set at \$E13bn, or 23 per cent of total investments, most of which is going into the Euphrates irrigation scheme.

All the targets of the five-year plan are unlikely to be achieved within the scale that has been set (1976-1980), but they do indicate Syria's vast potential for agriculture that is realisable within the coming decade or two. The plan is targets themselves include increasing cereals production from 2.2m tons in 1975 to 3.388m tons in 1980; sugar beets from 198,000 to 2m tons; potatoes from 144,000 to 395,000 tons; green fodder from 371,000 to 7.9m tons; fruit tree crops from 675,000 to 1.13m tons; and tomatoes from 369,000 to 475,000 tons.

Egg production is expected to rise from 513m to 2.15bn eggs by 1980; milk production from 439,000 tons to 1.24m tons; and meat production from 118,000 to 291,000 tons. Fruit tree acreage of 10,686 hectares in 1975 is expected to rise to 35,445 hectares by 1980.

Droughts

Set against this series of very realisable production targets is the haphazard agricultural performance of Syria in the past decade. For one thing, the actual area of cultivated land has dropped slightly since the start of the decade. In 1971, according to the Government's statistics, there were 5.9m hectares of cultivated land, while in 1977 there were 5.5m hectares.

The amount of irrigated land has fluctuated in both directions. The 474,000 irrigated hectares of Syrian land in 1971 increased to 629,000 in 1975 and dropped back down to 531,000 in 1977—the drop being due partly to urbanisation and loss of the lands submerged under the Euphrates dam reservoir known as Lake Assad.

Most of the ups and downs of Syrian farming are due to vagaries in rainfall, which the current emphasis on irrigated farming will gradually dissipate. Bad droughts in 1970, 1973 and 1977 resulted in lower than average output, and combined with reduced acreage for some crops such as tobacco, wheat and barley give Syrian agriculture a weak performance as measured by scanning the annual statistics.

These show, for example, that wheat production in 1977 was the worst for four years, as was the case with barley. Production of eggs and milk also dropped in 1977 over the previous year, and the value of vegetable production, measured in constant 1963 prices, rose only 9 per cent in the four years from 1974 to 1977 (from \$E1.466bn to \$E1.608bn).

In 1977, Syria produced 1.217m tons of wheat, 337,000 tons of barley, 117,000 tons of lentils, 454,000 tons of tomatoes, 273,000 tons of sugar beet,

Vast

It is widely anticipated among private sector circles in Damascus that precisely such joint ventures with foreign partners will be required to work the vast new areas of irrigated farmland that will become available in the next two or three decades.

One big question that seems to hang over the agricultural sector, however, is future land ownership policy. It is clearly impossible to find enough farmers to run the hundreds of thousands of new hectares of irrigated land on the basis of each farmer owning and operating a small farm, as is now the case in the wake of the land reform programme of the past two decades. Land redistribution has resulted in a situation where 93 per cent of farm plots are between one and 25 hectares in size, and 50 per cent of all farms are less than seven hectares.

With about half the Syrian population already directly or indirectly employed by the agriculture sector, the future trend is likely to be towards more capital-intensive, mechanised farming by fewer farmers, resulting in fewer workers. It is one of the current plan's priorities to encourage the development of co-operatives, whose members more than doubled between 1975 and 1977.

Rami G. Khouri

Planners assess their performance

SYRIA HAS the essential basic ingredients for a well-balanced economy. They include: plenty of manpower and water, vast agricultural lands, a growing industrial base, untapped mineral resources, enough oil to supply the country's own energy requirements, exportable commodities such as cotton, phosphates and oil, a tradition of skilled trading, and a private sector of great but only slightly tapped potential.

In the past 20 years or so, the ups and downs of internal and regional political developments have restricted Syria's ability to address itself coherently to its socio-economic possibilities, and it has been in only the past five years or so that Syria's planners have had the chance to assess their own performance during this decade and evolve new development strategies based on their accumulated experience and mistakes. This has been in part due to the stability that has been brought to Syria under the regime of President Assad.

It has also been in part due to regional circumstances, such as the vast influx of Arab financial aid that followed the 1973 Middle East war, an influx that allowed Syrian planners to go down on a spending spree that has taught them a great deal about the most efficient and productive manner of boosting the country's development.

The result has been that the current five-year plan ending in 1980 represents probably the first serious attempt in modern Syria to produce and implement a development plan whose progress is tied to the year-to-year factors that influence the Syrian economy, such as aid flows, the

inflation rate and the general level of productivity in industrial and other plants.

The current plan is also far bigger than anything previously attempted. The first and second five-year plans, between 1960 and 1970 incorporated investment targets of \$E2.7bn and \$E3.7bn respectively and they averaged an execution rate of 65 per cent.

The third plan, from 1970 to 1975 aimed to invest \$E8bn but ended by spending closer to \$E10bn after the inflow of Arab aid in 1974-75. Nevertheless, 40 per cent of the plan's projects had to be carried over into the fourth, and current five-year plan.

Initially written up with an investment target of \$E70bn, the current plan was scaled down to \$E54bn, of which \$E27bn covered projects carried over from the previous plan. \$E17.6bn covered new public sector projects and \$E9.4bn represented private sector investments.

The current plan aims for a real annual average GDP growth rate of 12 per cent. This is to be distributed economic projects evenly throughout the country with an eye to speeding up rural socio-economic development; to achieve self-sufficiency in foodstuffs, clothing and energy; to develop the domestic and regional communications infrastructure; to curb inflation over the five-year period to 30 per cent; and to achieve a greater reliance on domestic financial resources through an improved tax system.

The GDP is expected to increase from \$E19bn to \$E33.5bn in 1980 at 1975 prices. The building and construction sector aims at an annual growth of 16 per cent, followed by industry, mining and energy at 15.4 per cent, and agriculture at 8 per cent, to cover the main productive sectors. Other sectoral growth targets are 16.4 per cent a year for transport and communications and 11.2 per cent for services.

The post-1973 influx of Arab aid allowed the Syrians to spend on a crash programme of industrialisation. In many cases, projects were inadequately planned and have been starting up without sufficient manpower or managerial support. Therefore, a great deal of Syria's industrial sector is running at far below its productive capacity.

The planners have realised that poor management is holding back Syria's development, and several different approaches are now being made to rectify this underlying weakness. The role of the country's renowned private sector, with its entrepreneurial prowess, appears to be receiving some stimulus from the Government.

Dr. Georges Horanich, the Planning Minister, says: "The private sector is part of our richness," while other senior officials are even more forthright, saying that "the state's managerial expertise is at an infant stage."

Dr. Horanich told the Financial Times that the Government wants to accelerate the participation of the private sector in development investments through the establishment of mixed companies with public and private sector shareholdings, including foreign interests, as well as Syrian.

CONTINUED ON NEXT PAGE

SYRIA VII

Euphrates project needs decisions

WHEN THE massive Euphrates Dam project is completed, it will more than double the irrigated farmland of Syria, and will emerge as the focal point of agricultural industries that will go most of the way towards making Syria self-sufficient in food.

The Euphrates scheme aims to bring under irrigation 640,000 hectares of land, which compares to the current irrigated land area of 321,000 hectares, and it is the single most important project in the current five-year plan.

It takes up \$2.5bn out of the \$13bn being invested in agriculture during the plan period ending next year.

The dam structure itself was completed several years ago, and officially inaugurated by President Assad on March 15 last year. But the entire project is behind schedule because important decisions have not yet been made on how to resolve some relatively simple technical problems and on more philosophical points such as land ownership.

The longer these critical decisions are delayed, the longer will be delayed the fruits of what remains a sound and impressive undertaking.

The project's twin aims are to provide electricity generating capacity of 800MW and to harness the waters of the Euphrates River to irrigate 640,000 hectares, with all the new social development services that this implies.

These include the establishment of new cities and towns and the provision of health, educational, commercial and other social services to a rural area that should provide a new pole of socio-economic activity to help redress the growing urbanisation of the country.

The earth-fill dam itself, a visual attraction in its own right, took ten years to build at a cost of about \$400m, provided mostly in soft loans from the Soviet Union. It is 4.1 km long, 80 metres high and half a kilometre wide at its base.

The reservoir, called Lake Assad, is 89 km long and eight km wide on average, with a capacity of 4.1m cubic metres of water. Part of the dam project is a power generating system with eight turbines providing 1000MW of power each, of which six are already operating.

Their combined power meets most of Syria's present electricity consumption, allowing existing thermal power stations to be switched on only during peak consumption times.

Stored

In the coming years, however, the dam's power will be required to run the pumping systems by which the stored water will be lifted from Lake Assad on to the newly irrigated land, most of which is higher than the reservoir. Eventually, only about 10 per cent of the dam's power will feed into the national grid.

The irrigation projects are divided into six areas, which are at different stages of development. The first is the Balikh Basin, where most of the pilot farm schemes have been undertaken in the past four years. Balikh covers 185,000 hectares, with the most extensive work under way in 9,000 hectares of the pilot project being run by a Syrian state-owned company. Balikh also includes a dairy



The Euphrates Dam: built with soft loans from the Soviet Union

cattle project and 18 new villages housing about 40,000 people.

A second pilot project covering 17,000 hectares is also being run by a Syrian public sector company, while the remaining area has been divided into seven sections of which two are being studied by Bulgarian experts.

The second area to be brought under cultivation will be Meskene, with its 155,000 hectares divided into three sections. The Meskene West section (107,000 hectares) is being developed by the Soviet Union, with a plot of 7,000 hectares expected to be cultivated this summer, as soon as the pumping facilities are finished.

The Meskene East section (25,000 hectares) is being developed by a Japanese company, Nipon Koy, whose studies will be completed this winter, so that work will require at least three years to commence. The third section is a government pilot farm with 2,000 hectares under cultivation.

The third area is Resafe, whose 25,000 hectares are being studied by a Bulgarian team.

The fourth area is the Euphrates Valley, divided into the Middle Euphrates Valley with its 27,000 hectares now being developed by the Romanian company Romagri-mex, and the Lower Euphrates Valley with its 180,000 hectares being studied by French experts.

The lower Euphrates region appears to require extensive leaching to get rid of salt before the land can be properly worked.

The fifth area is the Lower Khabor Basin region, now being studied by a Bulgarian company, which covers 40,000 hectares. And the sixth area is the Mayadin Plain (also 40,000 hectares), which has not yet been examined in detail, and probably will be the last area to be developed.

The total project anticipates 21,000 kilometres of main and secondary canals and several hundred kilometres of new roads, along with all ancillary social services for the tens of thousands of people that will be required to run the farms.

One of the unknowns about the entire Euphrates development scheme is how many

farmers will be needed, because it is still not decided what kinds of farms will be established—whether small privately-owned plots or large state-owned operations.

If the entire area is to be mechanised, then relatively few farmers can operate the farms. If the pattern is to be for smaller farms that are privately owned and operated, then many more people will be required. The Government says it can attract people to the Euphrates area because of the incentives of owning land and making a higher income than the average Syrian farmer elsewhere in the country.

The land already being worked in the Euphrates basin is state-owned farmland, where the farmers lack the incentive to produce at top efficiency. With the Meskene West area ready to be cultivated this summer, a top-level decision on what kind of land ownership policies will prevail in the Euphrates area is urgently needed.

Incentives

The vast majority of Syrian farmlands are privately owned—a tacit expression of the state's appreciation that private ownership provides the incentives to work better that are usually lacking in state farms. It is likely, though not certain, that private ownership will play a large part in the Euphrates region, probably through a process of greater collectivisation which makes for easier mechanisation and therefore more efficient and productive farming.

Then there are the problems of salinity and gypsum, both of which have been known for several years, but neither of which has been decisively tackled. The gypsum in the soil dissolves when the land is watered, making the soil unstable and leading to cracking in the irrigation canals, as has happened, a number of times. The problem is easily and quickly solved by lining the canals so that no water seeps into the soil underneath them.

There are several proven liners that can be used, but once again a top-level decision

on which solution to adopt has still not been taken, delaying work on the entire Euphrates project. In fact, many regions still have not had a thorough soil analysis to determine exactly where the high gypsum areas are.

The problem of salinity also has an easy technical solution, which is leaching the soil and setting up proper drainage systems.

The cost of developing the Euphrates area has increased rapidly during the past decade. According to commercial sources working with the project, a hectare of land now costs about \$10,000 to be developed fully.

Pilot projects have shown already that most crops, except perhaps rice, are well suited for growing in the area. Fruit trees have done extremely well, as have trees in general. Other crops that have grown well are wheat, barley, beans, sugar beet, cotton and alfalfa. The success of these pilot projects reaffirms the fundamental validity of the entire Euphrates project.

The general aim is to develop about 25,000-30,000 hectares of land every year after an initial 70,000 hectares are cultivated by the end of next year, meaning that the entire project will require perhaps 40 years to complete. Given the challenges of bringing in the farmers for this kind of project, such a time scale for the Euphrates scheme appears realistic.

There is also a strong likelihood of private capital and expertise coming into the Euphrates project, in the form of joint ventures with the Syrian government, or in mixed operations in which public and private-sector Syrian interests join foreign companies. Western companies have been holding talks to this effect, though no firm deals have been agreed upon to date.

The technical problems now delaying the Euphrates dam project are relatively simple ones, with known and proven solutions. The bottleneck appears to be in the managerial and decision-making process, which slows down those vital technical decisions.

Rami G. Khouri

Planners

CONTINUED FROM PREVIOUS PAGE

Two mixed companies in the tourism sector are already established, and three mixed companies are also established with other Arab interests. Talks are also being held now with West German and Italian investors on setting up industrial plants to produce mixers and dampers, as well as shipping companies.

Dr. Horanich also says banking interest rates may be raised to encourage the channelling of private savings into productive investments via the state-owned commercial banking system. A third approach already being implemented is to invite international management consultants to study state-owned companies to advise how their productivity can be improved.

After the free-spending period of 1974-76 when real GDP grew at an average annual rate of 13 per cent, the past two years have seen the annual growth rate drop back to around 6 per cent. This has been due to severe measures to stem inflation to adjust to the dislocations caused by the Lebanese war and redress the growing balance of payments deficit.

In the development planning approach, this has been reflected in what Dr. Horanich calls "a stabilisation of government expenditures."

The investment budget of \$1.0bn of 1970 has risen only to \$1.16bn this year, and will

be about the same level next year, reflecting the current strategy of holding steady annual expenditures after calculating for a 6 per cent growth in the non-defence budget to cover salary increases. This stabilisation of fiscal policy, coupled with a slowdown in commercial bank credits, has successfully brought inflation under control, to where it now appears to be in the range of 8 to 10 per cent.

Respond

This desire to respond to short-term pressures such as inflation means longer-term development targets may have to be adjusted along the way.

One way of doing this, in the Syrian view, is to label a certain percentage of the five-year plan's projects as "reserve" projects, to be implemented only if the financial and human resources are available. In the current plan, \$86.5bn of the \$85.4bn in investments are for reserve projects.

According to the Planning Minister, all the projects in the current plan have been contracted for implementation, and some reserve projects will be implemented in the coming 18 months. What this appears to mean is that all the plan projects will enter the execution stage during the plan period,

but they will not necessarily all be producing.

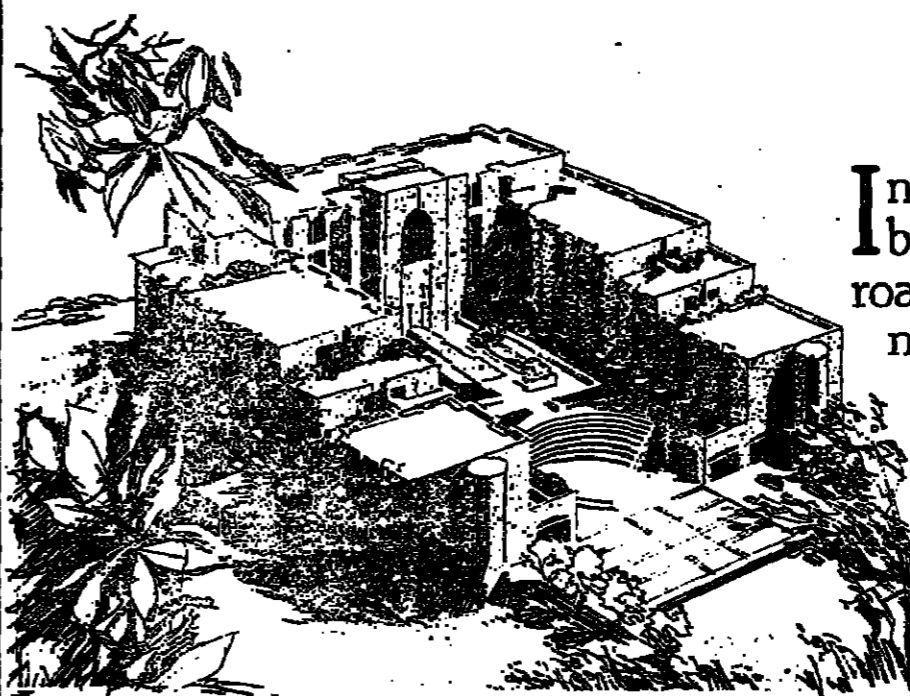
Measured by expenditures, the current plan will probably achieve full implementation, but if measured by output, it probably will fall short. In view of the past 20 years of development planning, though, this plan's performance must be given high marks.

Work has already begun on formulating the next plan, covering 1980-85. Sectoral surveys of agriculture, transport, industry and health are already under way, and are designed to allow the next plan to relate to Syria's development strategy up to the year 2000.

Overall emphasis will continue to be put on agriculture and agro-industries as the focal point of the strategy to speed up rural development to stem the urbanisation process that worries Syria, as it worries most Third World countries. Minerals will also receive greater attention in the coming decade, as will manpower planning.

The shortages of skilled workers that have slowed down some development plans are being tackled by an acceleration of the programme for technical training institutes, on the theory that it is more productive in the long run to increase the supply of skilled workers than to restrict the outflow of workers—though some highly-skilled workers are not allowed to leave

The Old and the New



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R.G.K.

SYRIA VIII

Search goes on for more oil and gas

SYRIA'S CRUDE oil production has stabilised at between 9m and 10m tons a year for the fourth year in a row, as attention is now being paid to finding more reserves of crude and harnessing known associated gas reserves.

Oil Company (Samoco) which is 60 per cent owned by Coastal States Gas Company of the U.S. They will spend a total of about \$30m on exploration work within the coming three years.

Erap oil company wanted a block that was given to one of the American companies. In all these service contracts, if oil is discovered in commercial quantities the state will take 10 per cent of production and the remaining 90 per cent will be divided with about 75-80 per cent to the state and 20-25 per cent to the companies, according to the Minister.

Capacity Apart from the Iraqi oil in transit Syria will buy 3m to 3.5m tons of Iraqi crude a year for use in its two refineries. The increased refining capacity plus larger imports to blend with the heavy Syrian crude, will enable Syria to meet most domestic demand for refined products.

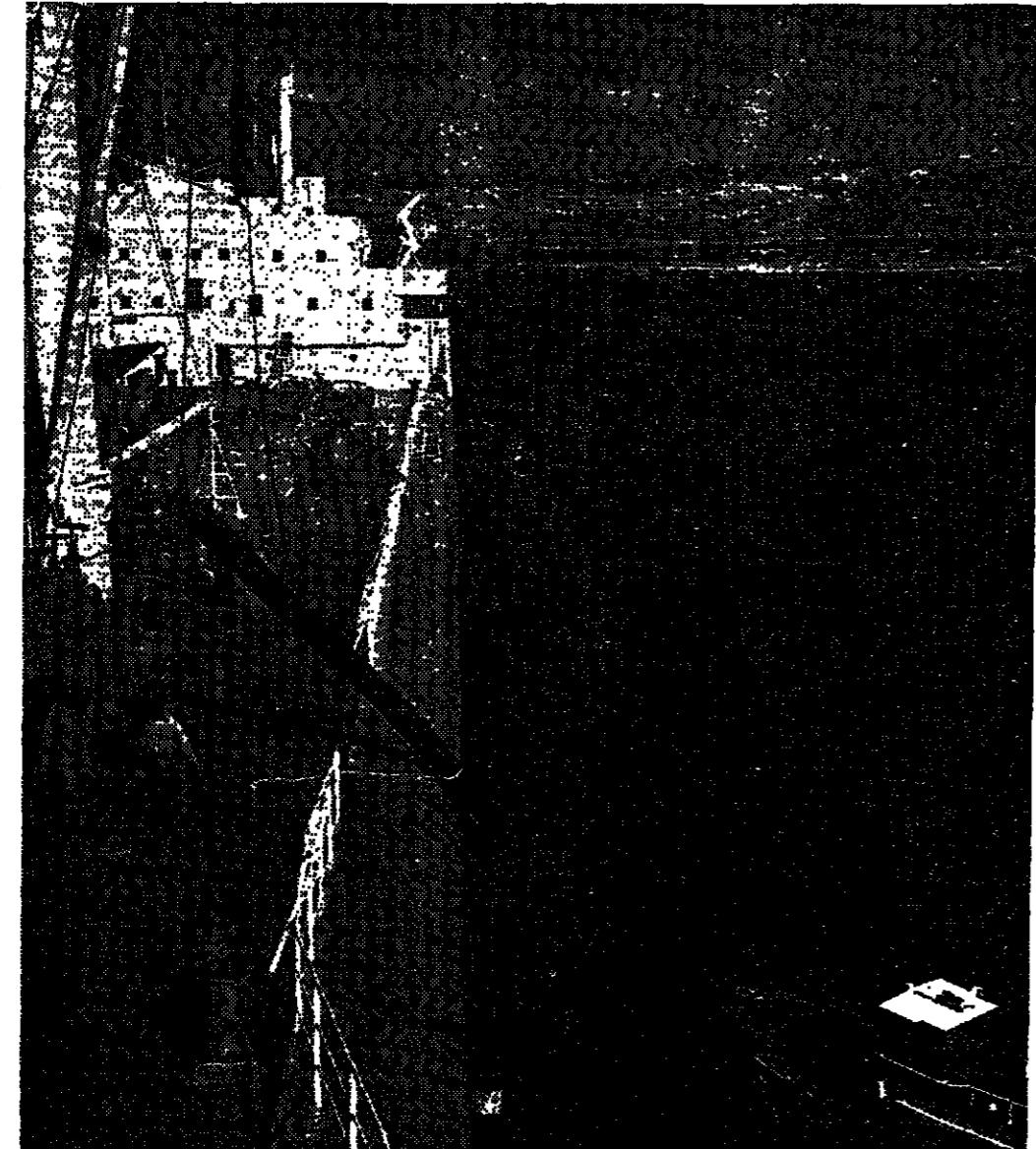
transit fees from Iraqi crude passing through and higher export prices for its own oil will add to the credit side of the oil account, but the higher demand for Iraqi crude for Syria's own refineries and a possible drop in volume of exports will balance this out on the debit side.

programme for associated gas at three oil fields in the north-eastern oil-producing region, covering a total of 4,336m cu ft per year of gas.

The Jubaisa field, with its estimated recoverable reserves of 50m tons, produces a lighter, 40.2° API crude with a sulphur content of only 0.62 per cent.

An accelerated exploration programme by the State-owned Petroleum Company has discovered a series of small fields during the past four years, but the fields (at Juraiba, al Haul, al Salihiya, al Shaikh Sa'ad, Zaraba, Mansur, Wahab, Gebbeh, Tishrin and Habari) are all either 18°-19° API or 34°-35° API.

Decline in cotton exports



An oil tanker, linked by sea lines, at a terminal at Banias, Syria. A 6m-ton-per-year refinery begins production at Banias this autumn

WITH THE price of cotton on the world market steadily increasing, it would appear to make sense for a proven cotton grower such as Syria to increase its production with an eye towards greater export earnings, particularly as an increase in the country's leading export—crude oil—is now out of the question until oil reserves are increased.

176,000 in 1977 and again last year to 164,000. But with the development and application of better seed varieties, yield per hectare has been rising, to last year's average of 2.3 tons per hectare, compared to 1.39 tons per hectare four years ago.

the decline in exports will probably mean that Syria will want to export enough of its heavy crude oil to balance the several million tons a year of lighter Iraqi crude it imports to feed its refineries. But with the rise in world crude oil prices, this also means that Syria can anticipate maintaining a rough balance on its oil trade account.

stockings and underwear garments. The country's textile manufacturing industry, which employs more than 31,000 people, has 271,000 spindles and 3,750 looms. The industry is in the middle of a ten-year expansion and modernisation programme that will see nine large new projects added to existing production facilities, accounting for an additional 432,000 spindles.

Export revenues of raw cotton should gradually be replaced by the export revenues of textiles, which amounted to \$183m in 1977 on 31,400 tons of exports, though this was a decline from the 1976 income of \$261m from 35,600 tons of exported textiles.

COMMERCIAL BANK OF SYRIA

Commercial Bank of Syria S.A.

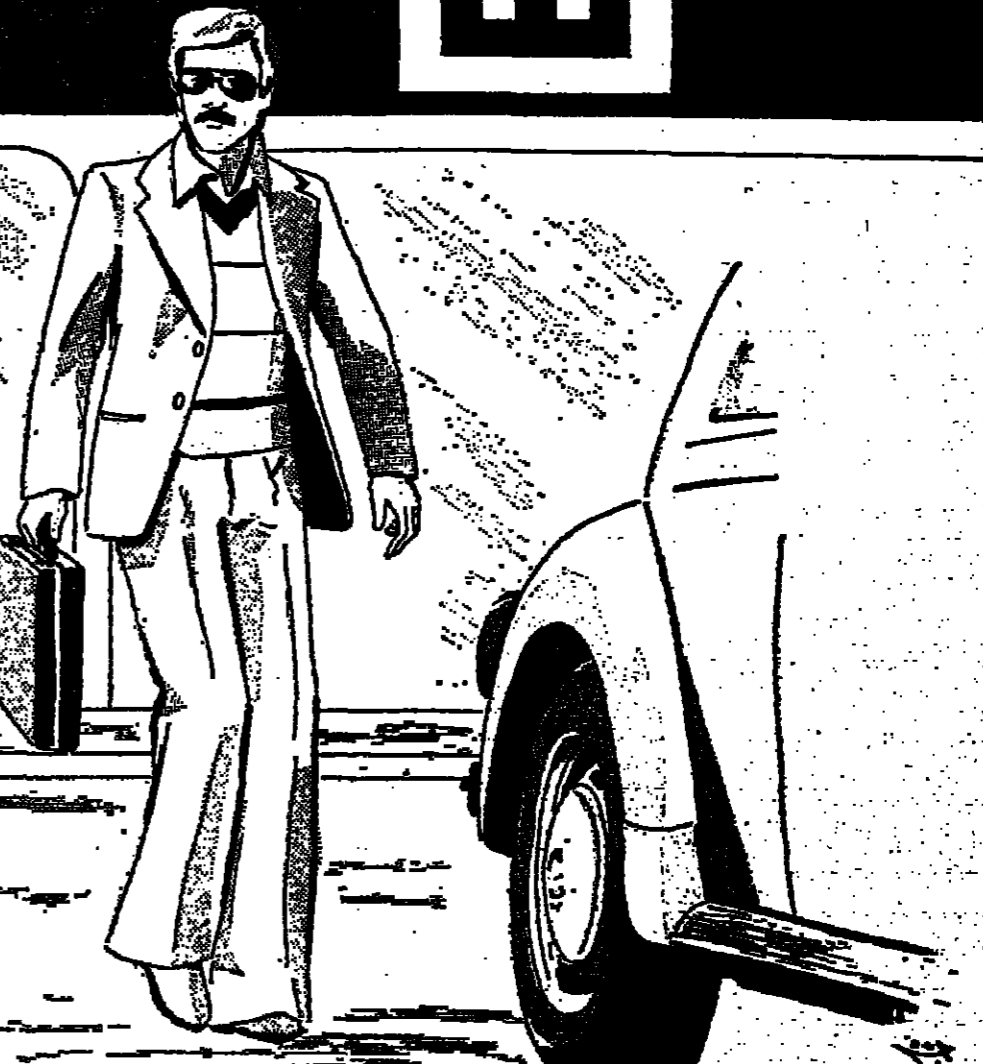
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Tel: 118890, 11891, 116975, 222481, 228524
Telex: Damascus Head Office Dircom: 11002 SY.
Cables: Head Office: Dircomersyr
Exchange: Direx 11205 SY. 31 Branches across the country. 30 Foreign Exchange

Agencies covering tourist inlets.
Representation abroad: Syro-Lebanese-Commercial Bank, Beirut-Union Des Banques Arabes Et Francaises, Paris-UBAF Arab American Bank, New York.

Correspondents throughout the world among which: London Correspondents: Lloyds Bank International, National Westminster Bank. New York Correspondents: Chase Manhattan Bank, First National City Bank.

Chairman and General Manager: Dr. Dib. Abou Assali Member of the Board of Directors of UBAF Arab American Bank, N.Y. Chairman of SYRO Lebanese Commercial Bank, Beirut.

Statistics: 30/6/76 in thousand Syrian Pounds
Capital and Reserves: 181,896 Assets: 6,833,486
Regular Accounts: 11,319,944 Balance sheet total: 18,153,430
Turnover and profits development, 52%



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Companies and Markets

UK COMPANY NEWS

Burton jumps to £9.2m at midway and pays 3p

A JUMP of well over £4m in taxable profits is reported by the Burton Group. The company pushed up the pre-tax surplus from £4.67m to £9.24m in the half-year to February 24, 1979, on sales ahead from £78.5m to £81.2m.



Mr. Cyril Spencer, managing director and chief executive of the Burton Group.

The profit growth in womenswear was outstanding, and Ryman and the French division again improved their performance. After tax of £785,000 this time and an extraordinary credit of £1.71m, against a £3.57m debt, the attributable profit jumps from £1.1m to £10.16m.

Record profit at B. Nathan

AS expected, results of B. and I. Nathan, furniture maker, for 1978 show an increase over the previous year—pre-tax profits rose 33 per cent from £363,875 to a record £483,339 on turnover of £6.78m against £6.09m.

After his interim report that orders at both factories were at a high level, Mr. Jerrold Nathan, chairman, now says that order intake during the year generally continued to exceed production and at the year-end orders on hand were a record.

Hoover looks for improvement after cost-cutting operations

The benefits of Hoover's vigorous cost-cutting exercise should show through in improved profits this year, said Mr. M. R. Rawson, chairman. He told the annual meeting that many of the costs of improving efficiency, productivity and profit of the household appliances group would fall this year.

lans and Merthyr Tydfil—of more than £30,000. Also during this period, the lorry drivers' strike cut supplies, and reduced efficiency and incurred additional costs. The past year saw even more foreign manufacturers—often by predatory pricing—trying to gain a foothold in the market, said Mr. Rawson. Hoover held its market share, but this involved considerable spending on advertising and other promotional activities. Every single sale cost more

HIGHLIGHTS

Lex looks at the banking figures and early money supply indications for March and considers the implications for the new gilt edge issue this morning. On the company front British Petroleum has produced its annual report at a time of unusual turmoil in the oil industry. Burton Group has reported the expected rapid recovery in first half profits, with benefits of its new marketing tactics apparently showing through strongly.

DRG recovers in second six months

AFTER the fall from £12.55m to £9.87m in the first half, the Dickinson Robinson Group finished 1978 with pre-tax profits up 9 per cent from £21.87m to £23.83m. The directors say the increase was due to a recovery in the UK in the second half plus continued good performance from the overseas companies.

comment Market estimates appear to have straddled DRG's 1978 results with a reasonable degree of accuracy so perhaps 1979 profit predictions of £27.5m-£29m pre-tax should be heard with due attention. An improvement on that scale, however, will probably owe almost everything to a recovery in the packaging division, down 42m in 1978, and thus little or nothing to organic growth. Nevertheless, the fourfold rise in the Canadian contribution achieves a welcome level of recovery and, although DRG is still very unhappy with Canadian margins, the group is reasonably pleased with its growth—prospects in a static economy. The upturn in Southern Africa, by contrast, was achieved in a developing economic climate and at the same time hopes are now pinned on further strong overall growth in stationary and office supplies.

BP steps up capital spending programme

AUTHORISED FUTURE capital expenditure by the British Petroleum group is estimated at £3.3bn, compared with £1.42bn (£2.0m) for which contracts have been placed. Capital expenditure by the group, including the proportion of associates expenditure, reached £1.09bn compared with £795.3m in 1977. Soho, which is included for the first time, spent £261.1m mainly on the continuing development of the Prudhoe Bay field in Alaska. In addition in 1978 the group acquired by investment, assets totalling £208.7m primarily in chemicals, against a total of only £12.3m in 1977.

ISSUE NEWS

Gibbs Mew places some equity

A placing has been arranged for 8.5 per cent of the equity capital of Gibbs Mew and Co., a small family-controlled brewery, the shares of which are traded on the stock exchange under Rule 163 (2). Some 235,000 shares have been sold by Gibbs family interests at 150p per share, raising £350,000 valuing the company at £3.5m. More than half the shares have been taken up by institutions with the balance going to private investors and the market.

gross, which will be covered 3.5 times. At the placing price the shares sell on a p/e of 11.4 while the yield is 3.75 per cent. This compares with 9.5 and 5.3 per cent respectively for the overall brewery sector. The company says that it does not intend to apply for a full listing at the present time. Gibbs trades principally in the Salisbury, Wilts. area but believes it has a sizeable market potential in south and south-west London. It operates through about 50 tenanted outlets, 15 managed outlets, and three off-licences.

Yearlings unchanged

The interest rate on this week's batch of Local Authority yearling bonds is unchanged at 10 1/2 per cent. The stock is issued at par and is repayable on April 16, 1980. The issues are: London Borough of Brent (£500,000), Harlow District Council (£500,000), Sefton Metropolitan Borough Council (£500,000), Dudley Metropolitan Borough Council (£750,000), City of Wakefield Metropolitan District Council (£750,000), Beverley Borough Council (£500,000), City of Lincoln (£500,000), City of Glasgow District Council (£2m), Corporation of London (£1m), Borough of Cheltenham (£500,000), Metropolitan Borough of Rotherham (£250,000), Langborough Borough Council (£500,000), Borough of Eastleigh (£250,000), Etrick and Lauderdale District Council (£250,000), Kirkcaldy Metropolitan Borough Council (£750,000), St. Helens Metropolitan Borough Council (£500,000), London Borough of Barnet (£1m), Renfrew District Council (£1m), Borough of South Tyneside (£1m), Borough of Scunthorpe (£250,000), North Norfolk District Council (£500,000), Amber Valley District Council (£250,000) and Cheltenham Borough Council (£500,000).

The placing follows a capital reconstruction which has resulted in the creation of one single type of ordinary share to replace the previously existing ordinary and "A" ordinary shares. Since 1972-73 Gibbs' earnings have almost quadrupled. The company estimates that pre-tax profits for the year ended March 31, 1979, increased from £607,000 to £680,000, with net earnings up from 11p to 12.3p per share on the reconstructed capital. The dividend total for the year is expected to be 5.25p per share

Smiths Inds. reaches £11m in mixed half year

SET AGAINST a period in which parts of the group were severely affected by industrial disputes, pre-tax profits of Smiths Industries emerge 48 per cent higher at £10.98m in the 26 weeks ended February 3, 1979. But the second half result is unlikely to match the exceptional £14.6m achieved in the comparable period of 1977/78, the directors state.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date of payment, Current dividend, and Total last year. Includes companies like Aberthaw Cement, Aquasutum, Assoc. Biscuit, etc.

They explain that the first half result reflects the continuing difficulties of supplying a troubled UK motor industry but aviation has made a good recovery against a background of buoyant demand which is expected to be maintained. Trading profit of the vehicle manufacturing sector was up from £194,000 to £518,000 while the aerospace contribution jumped from £32,000 to £235m. Marine operations, where trading profits fell from £38,000 to £79,000, remain depressed worldwide and although restructuring to meet market demand will continue, the directors say that there seems little chance of early recovery.

Under the heading of other industries further progress was made and profits rose from £2.5m to £3.4m. The directors point out that the results of the medical, ceramics, tubing and hypertax connector businesses were particularly notable. Direct exports increased by a third and maintained the high level achieved in the second half of 1977/78. The overseas companies made significant progress in all major trading areas and profits rose from £1.1m to £2.0m.

after heavier interest of £1.15m (£0.88m) which was mainly due to acquisitions made for cash during the latter part of 1978. After tax and minorities the net balance amounted to £7.09m (£5.9m). The interim dividend is increased from 2.285p to 3.613p—the total for 1977/78 was 8.092p paid from profits of £22.09m. See Lex

Hewden-Stuart tops £6.6m despite January losses

PROFITS before tax of Hewden-Stuart Plant improved from £4.99m to £6.86m in the year ended January 28, 1979. Turnover increased £20m to £94m and the directors confidently expect the figure to exceed £100m in the current year.

possible shortages of plant emerging in certain fields. The crane hire division is being developed further and forward bookings are satisfactory. At a local level, where smaller cranes serve daily needs, a problem, but measures taken last autumn have led to some improvement in rates across the industry. The marketing division has started the year well and continues to expand and should benefit further from replacement demand.

The Board says the profits must be regarded as highly satisfactory as the group incurred abnormal trading losses in January due to the haulage strike and the severe weather. The loss was a sharp reverse from the rising trend in profits throughout the second half—profits in the first six months had risen from £2.24m to £3.34m.

comment It seems, for the first time, that Hewden-Stuart's cash flow (including disposals) has exceeded capital spending. Fixed asset investment during the current year is likely to stabilise at £16m which suggests that, given a potential 10-point improvement in plant utilisation, to perhaps 75 per cent, some success in lifting hire rates, possibly lower interest charges and the chance of recouping much of the £600,000 profit lost through the haulage strike and foul weather, the cash position is unlikely to deteriorate. The group is looking for a sales rise to continue in 1979 and should believe that buoyant post-freeze trading conditions over the coming months offer scope to adjust hire rates in many areas. That indicates a good deal of support for the shares, up 1p yesterday at 87p, where the p/e is 7.7 on stated earnings. Given a positive cash flow and below industry average gearing of 69 per cent, Hewden-Stuart could embark on significant expansion. However, the message, for the moment, is that this does not

As regards the second half of 1978/79 the directors state that the problems of the motor industry, the lack of orders in

Aberthaw Cement falls £0.6m

FOLLOWING THE first half downturn, profits of Aberthaw and Bristol Channel Portland Cement Company fell from £1.02m to £724,000 in the second six months of 1978. This has left the total down from £1.86m to £1.25m and for the current year the directors are forecasting profits considerably lower than this. Turnover of this cement manufacturing group improved from £18.99m to £21.06m in 1978. The profit was struck after depreciation of £319,000 (£507,000). After a much reduced tax charge of £199,000 compared with £31,000, the net profit comes through at £1.05m against £0.92m. Earnings per 25p share are stated to be up from 23.44p to 26.61p. The final dividend is 4.7455p raising the net total from 6.7574p to 7.5457p. In the first three months of the current year trading conditions have been very difficult, the directors state. Production has suffered from the effects of bad weather and also a high incidence of repairs which were planned for that period. Because of large increases in costs particularly fuel they expect that profits for 1979 will be much lower than those of the previous year.

Turnround at midway for Sidroy

A turnround from a £9,300 loss to a £21,800 surplus, after reduced interest of £23,100, against £48,200, is reported by Sidroy in the half-year to December 30, 1978. Turnover of this ladies', infants' and children's clothing manufacturer was £1.57m, against £1.48m. In the 61 weeks to June 30, 1978, there was a 197,000 loss. For the half year earnings per 20p share are shown at 0.5p, compared with a 1.22p loss last time. There is again no interim dividend. Attributable profit came through at £20,500 (£33,300 loss). Comparisons have been adjusted in accordance with ED 3.

Crown House has a lot going on behind the scenes at the National Theatre.



London's famous new theatre on the South Bank is one of many outstanding recent developments where the engineering services - electrical and mechanical - have been installed by Crown House Engineering.

Some others where either electrical or mechanical services have been or are being installed, are the new NatWest Tower now rising in the City, the Brent Cross Shopping Centre, and St. Thomas's Hospital.

CHE are winning more and more contracts, not only in Britain but in the Middle East, Africa and Australia.

If 'all the world's a stage' Crown House is increasingly there behind the scenes. We play other parts too. Our subsidiary Dema Glass, is Britain's biggest manufacturer of finest quality hand cut crystal glass through its well known 'Thos. Webb' and 'Edinburgh' brand names. In addition Dema distributes annually more than 100 million assorted glasses over half of which go for export.

To find out more about what we do contact our Chairman, Patrick Edge-Partington at 2 Lygon Place, London SW1W 0JT. Telephone 01-730 9287.

Crown House You may not see us, but we're there.

COMBINED ENGLISH STORES GROUP LIMITED Preliminary Announcement Results for the year ended 27 January 1979. Chairman Murray Gordon reports Another record year. A maximum dividend increase and a one-for-one scrip issue. Table with columns: 1979, 1978. Rows: Sales, Profit before tax, Profit after tax, Earnings per share, Dividends (gross equivalent), Dividend cover.

Associated Biscuit meets forecast with £9m

TAXABLE profits of Associated Biscuit Manufacturers fell from £9.2m to £8.9m in 1978 on turnover ahead 18 per cent to a record £218.92m.

Mr. Palmer adds that the group is deeply involved in Europe and North America, and has broadened its interests to include confectionery and other non-biscuit products.

well down from £5.98m to £4.74m. As forecast the final dividend is raised to 1.88p net, lifting the total payout from 3.19p to 3.53p.

Stronger pound against Minet

A DECLINE in pre-tax profits from £7.94m to £6.86m in the second half of 1978, left Minet Holdings, insurance broker, with a full year figure of £15.28m compared with £15.2m last time.

move into its new building. The group incurs most of its expenses in the UK so there should not have been too much of a distortion from currency movements and there is nothing exceptional on bad debt items.

Second half fall leaves Higgs & Hill £1m off

A SECOND half fall from £1.57m to £941,000 left profits of Higgs and Hill, building and civil engineering contractor, down by more than £1m from £3.13m to £2.09m for 1978.

At half-way the directors reported profits behind at £1.22m against £1.58m and said the fall was due essentially to the continuing difficult conditions in the UK construction industry.

Ruberoid finishes 30% ahead after second half standstill

SECOND HALF profits of Ruberoid slipped from £681,900 to £553,642 leaving the total for 1978 30 per cent ahead at £1.1m. Sales were marginally higher at £32.45m against £31.44m.

ing technical and application knowledge. The effect was to reduce losses from £511,000 to £166,000.

Bardez, plastic products manufacturer, says Mr. Gilbert Hunt the chairman, caused by a combination of the road transport strike and severe weather conditions.

Best-ever £1.01m for Astbury

RECORD TAXABLE profits of £1.01m in 1978, against £778,394 in 1977, were reported by Astbury and Madeley (Holdings) - a head of the £850,000 forecast at mid-way.

At that stage, profits were up from £278,000 to £420,000 and the directors expected a total dividend of 2p, which has been met.

Mettoy makes profit advance to record £3.5m and pays 2.6p

FOLLOWING A profits advance from £1.25m to £1.58m at 36 weeks, the Mettoy Company, toy manufacturer, pushed further ahead to finish 1978 with a record pre-tax surplus of £3.64m, compared with £2.77m last time.

with the U.S. holding its own and the Middle East and Nigeria showing a downturn. The EEC, however, came through strongly, helped greatly by the acquisition of a substantial interest in Fair Play, the company's French distributor.

Turnover for the UK company was 15 per cent up to £119.4m (some 9 per cent of total turnover) and pre-tax profits jumped 55 per cent to £12.5m (18 per cent of the overall total).

SWIRE PROPERTIES RESULTS FOR 1978. Shareholders' profit (excluding extraordinary profit) HK\$ 162.2M 1978, HK\$ 99.6M 1977. Shareholders' funds HK\$1,267.9M, HK\$992.4M. Earnings per share 46.9c, 30.8c. Dividends per share 28.0c, 18.5c.

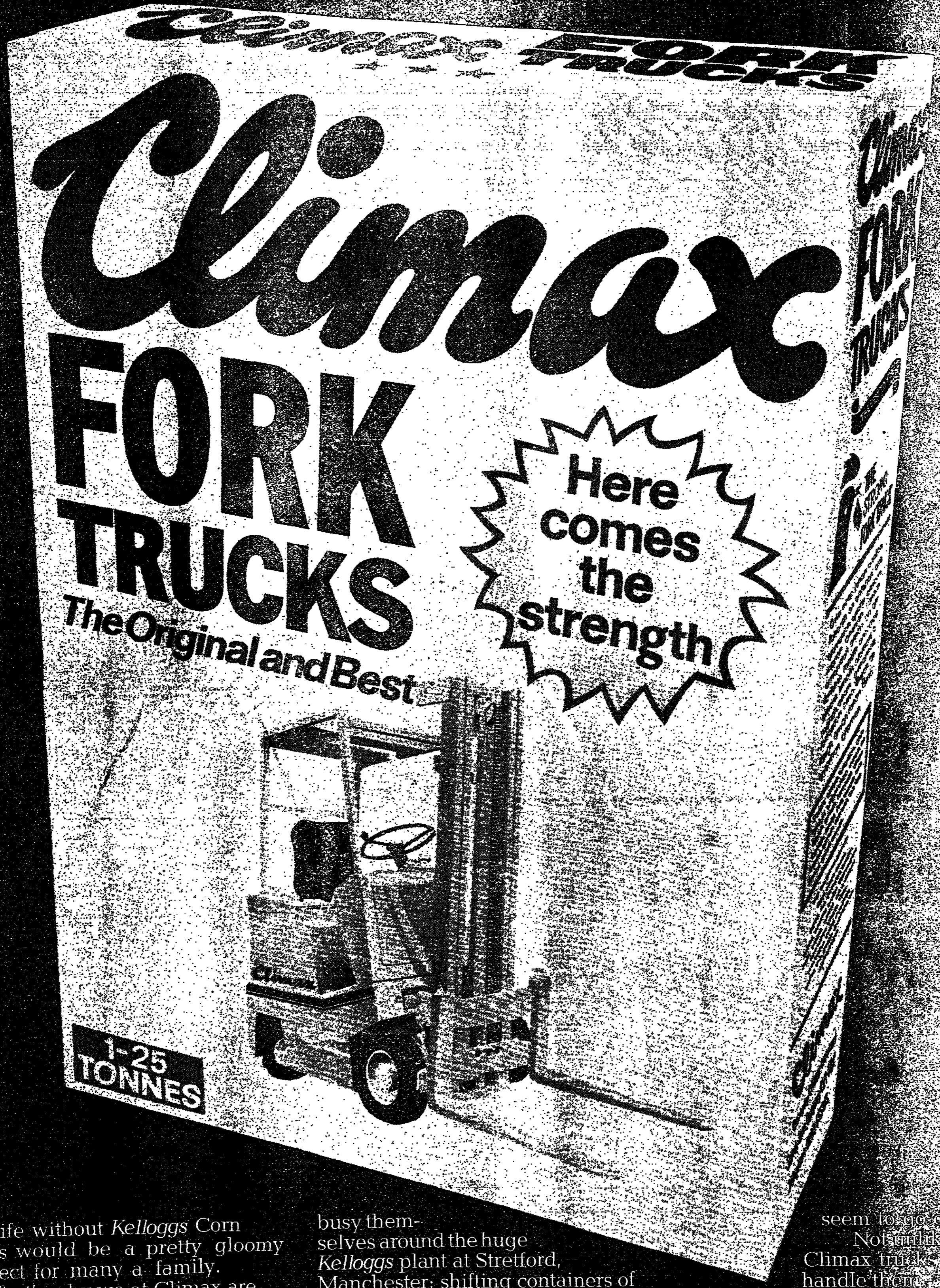
ALBERT MARTIN fell 9p to 92p yesterday after an annual pre-tax shortfall of 34 per cent which the market really might have anticipated.

NOTICE OF REDEMPTION To the Holders of Dillingham International Capital Corporation. (Guaranteed by Dillingham Corporation) 5 1/2% Guaranteed Convertible Debentures due May 15, 1988.

Swire Properties Limited The Swire Group Swire House, Hong Kong.

FRIENDS' PROVIDENT LIFE OFFICE NOTICE IS HEREBY GIVEN THAT THE ONE HUNDRED AND FORTY-SIXTH ANNUAL GENERAL MEETING OF MEMBERS is appointed to be held at GLAZIERS HALL, 9 MONTAGUE CLOSE, LONDON BRIDGE, LONDON, SE1 8JL, ON WEDNESDAY, 5TH MAY 1979, at 2.30 p.m.

Members intending to attend and vote personally at the meeting should be prepared to quote their policy number or the name of the Debenture and the name of the Debenture and the name of the Debenture.



The Original and Best

Here comes the strength

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Life without Kellogg's Corn Flakes would be a pretty gloomy prospect for many a family.

That's why we at Climax are proud of the part we play in getting those familiar packets of Sunshine goodness on to millions of British breakfast tables.

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busy themselves around the huge Kellogg's plant at Stretford, Manchester; shifting containers of corn and other raw materials, and handling the finished packets of cornflakes.

While other breakfast cereals come and go, Kellogg's Corn Flakes

seem to go on forever. Not unlike the Climax trucks which handle them.

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Climax

Coventry Climax Limited, Sandy Lane, Coventry CV1 4DX. Telephone: Coventry (0203) 555355. Telex: 531632

BIDS and DEALS

LMI withdraws and sells out to Comet

BY ARNOLD KRANSDORF

Comet Radiovision Services has won control of Caledonian Holdings after a six-week takeover battle with rival suitors...

unconditional cash offer by Meru Group for the capital of General Ceylon (other than the shares held by the former shareholders of Carleton Real Estate...)

Aurora buys base in U.S.

Aurora Holdings has gained its first manufacturing base in the U.S. with the acquisition of United Products Inc. of Hackensack, New Jersey...

CI TO FLOAT SA COMPANY

Caravans International is to apply for a listing of its South African subsidiary in Johannesburg, with a view to reducing its holding from 80 per cent to 51 per cent.

MERU/GEN. CEYLON MK ELECTRIC

As at April 10, acceptances had been received in respect of 48,337 shares in connection with the

BULMER MAY BUY AQUALAC SHARE

Following the recent announcement that Bulmer's Schweppes subsidiary is giving up the 30 per cent shareholding in Aqualac (Spring Waters) and the selling and distribution of Perrier brands in the UK...

DAWNAY DAY

Negotiations have reached an advanced stage for the sale of Melbourne Hart and Co., a sign importer that from April 30, 1979, Bulmer will undertake the selling and distribution of Perrier brands in the UK...

NEIL & SPENCER

Following the issue of new shares by Neil & Spencer to pay for acquisitions and the reversion of deferred shares, Mr. M. Armitage, Baring Brothers and Co., Outreach Investment Trust and County Bank Smaller Companies Exempt Fund no longer have 5 per cent or more of the issued share capital of the company.

British Land raises further £25m

British Land, the property group which also owns retailers Dorothy Perkins, has announced a further package of deals and disposals raising £25m.

£11.1m cash lump sum from the renegotiation of lease terms at the former Derry and Toms store in Kensington High Street, London. And has sold its freehold interest in Canine House, Edinburgh, for £2.7m to ESC Pension Fund Nominees.

money will be added to the cash resources. Mr. David Wilson, company secretary, says that British Land intends at this stage to reduce its debts by about £5m.

Chas. Clifford runs into £470,912 loss

Charles Clifford Industries, the non-ferrous metal manufacturer, headed by Mr. Oliver Jessel, has reported a £470,912 loss before tax for the year ended March 31, 1978.

The loss was struck after exceptional debts of £299,893, of which £121,893 represented payments to former directors of the holding and subsidiary companies. Stock provisions totalled £178,000.

Various measures had now been implemented and, despite adverse conditions, the company operated at a profit in the first quarter of 1979.

29 companies wound up

Orders for the compulsory winding-up of 29 companies have been made by the High Court. They were: Motor Vehicle Credit Company, Cheshire Trucking and Shipping Company, Cheshire Overseas Export (Jackson), Gilt Finance (UK), Wayman Funeral Services, Western Oil Exploration Services, Aphrodite Investment, Bridesbrook (Properties), Maryland Tool Company, T. Coyne and Co.

Results for year to October 31, 1978: Fixed assets £81,229 (£72,755), net current assets £1,366 (£1,211). Working Capital increased by £155 (£26,898) decrease. Chairman says increasing costs suggest trading income will not be as good in current year. Meeting, Apr. 28, at noon.

Results for year to October 31, 1978: Fixed assets £81,229 (£72,755), net current assets £1,366 (£1,211). Working Capital increased by £155 (£26,898) decrease. Chairman says increasing costs suggest trading income will not be as good in current year. Meeting, Apr. 28, at noon.

MINING NEWS

Selection Trust earns and pays more

BY KENNETH MARSTON, MINING EDITOR

BEST market expectations are matched by the 1978 earnings of the UK-registered Selection Trust mining and industrial group. Net profits for the 12 months to December 31 last amounted to £11.4m, earnings being 35.5p per share on the 31.7m shares.

income from the important 8.3 per cent holding in America's Amax natural resource giant resumed dividends for the Trust's base-metal producer in South West Africa and a good payout from the West African diamond interests.

Table with 2 columns: Item, Amount. Includes Turnover, Operating profit, Realisation of invts, Dividends, etc.

Because of the changed financial year—which now runs to December 31 instead of March 31—the previous accounting period covered only nine months to December 31, 1977. In that period earnings amounted to £9.6m, or 32.8p per share on the 29.4m shares then in issue.

A final dividend of 10.844p is declared for 1978 which brings the year's total dividend to 43.644p. For the previous nine months, dividends totalled 14p per share.

The biggest increase, in percentage terms, is that of Teng-Kah Harbar, where the nine-month total of 585 tonnes is sharply higher than the 342 tonnes output in the same period last year.

More small Ashton diamonds

THE LARGEST bulk sampling results so far obtained are announced by Comet Diamonds of Australia from its Ashton diamond exploration joint venture in Western Australia.

quarter of last year the latest results indicate a higher diamond content but the average size of the diamonds recovered remained tiny.

Poor year for Shell Chemicals

BY SUE CAMERON

Shell Chemicals UK has admitted that it experienced a "poor year" in 1978 with losses of £14.8m as against a £5.7m profit in 1977.

Provident Life well ahead

HIGHER PROFITS from long-term business and a return to profits on general business resulted in net profits of Provident Life Association of £24.5m in 1978, compared with £24.0m in 1977.

RESULTS AND ACCOUNTS IN BRIEF

REFUGE ASSURANCE—Treasury approval received for payment of the declared final dividend of 6.2p.

M. P. Kent

TAXABLE PROFITS of M. P. Kent, residential and commercial property developer, surged from £387,000 to £737,000 in the half-year to December 31, 1978.

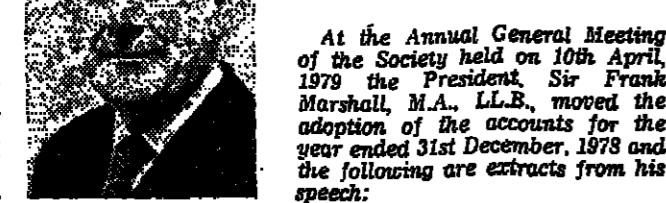
CLIVE INVESTMENTS LIMITED

Table with 2 columns: Item, Amount. Includes 1 Royal Exchange Ave., London EC3V 3LU, Tel: 01-283 1101.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

Table with 2 columns: Item, Amount. Includes 45 Cornhill, London, EC3V 3PB, Tel: 01-623 6314.

LEEDS & HOLBECK BUILDING SOCIETY



At the Annual General Meeting of the Society held on 10th April, 1978 the President, Sir Frank Marshall, M.A., LL.B., moved the adoption of the accounts for the year ended 31st December, 1978 and the following are extracts from his speech:

ASSETS It is only four years since this Society celebrated its one hundredth anniversary and coincidentally, the achievement of reaching £100m assets and now I am able to report that, as you will see from the Accounts, the Society's assets are over £125m.

ADVANCES 1978 started on an optimistic note and we were determined to advance as much money and to as many borrowers as was prudently possible. I am happy to report that in one respect we were successful in that the total advanced on mortgage during the year was only a little short of £38m—by far the highest figure the Society has thus far achieved.

There were perhaps two main factors. First, a tremendous consumer boom which started in the third quarter of 1978 and which, according to figures produced by the Central Statistical Office in its review of the economy, was financed to a large extent by personal savings.

THE FUTURE It would be a brave or a very foolish man who attempted to forecast with any degree of accuracy what is likely to happen to building societies, and indeed to the country as a whole, during 1979. You may think, as I do, that constructive steps towards a more stable economy are years overdue.

Finally, the Board wish me to place on record their sincere appreciation of the work and support of all those who serve the Society in so many ways namely, management and staff throughout the country, our professional associates and all our agents.

GIBBS, MEW & COMPANY, LIMITED

Following a capital re-organisation approved by shareholders at an EGM on Thursday 29th March, the share capital of the Company comprises:-

Table with 2 columns: Item, Amount. Includes 7,000 3.5% Cumulative Preference shares of £1, 31,500 1,000,000 Ordinary shares of 25p.

THE SCOTTISH LIFE ASSURANCE COMPANY CHAIRMAN'S STATEMENT YEAR 1978

EXCEPTIONAL YEAR FOR THE SCOTTISH LIFE Net new premiums for 1978 at £21.1 million were 113% greater than those for 1977—a substantially bigger increase than the 21% experienced by the life assurance industry as a whole.

CLIVE INVESTMENTS LIMITED

Table with 2 columns: Item, Amount. Includes 1 Royal Exchange Ave., London EC3V 3LU, Tel: 01-283 1101.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.

Table with 2 columns: Item, Amount. Includes 45 Cornhill, London, EC3V 3PB, Tel: 01-623 6314.

CURRENCIES, MONEY and GOLD

Pound improves despite selling

Sterling remained very firm in the foreign exchange market yesterday, shuffling off a large selling order from Germany as the pound moved above DM 4.0 in the morning. Sterling touched a high point of DM 4.02, but lost ground sharply around mid-day, only to recover in the afternoon, and close at DM 3.9850, compared with DM 3.9900 previously. The pound was also very strong against the French franc, rising to FF 11.950, before closing at FF 11.9500, compared with FF 11.9325.

Sterling's trade-weighted index, as calculated by the Bank of England, touched 68 per cent in the morning, the highest level since March 1978, but eased to 67.7 at noon, and closed at 67.5, compared with 67.5 previously. The pound opened at \$2.1045 against the dollar, the best level of the morning, but eased to \$2.0965-2.075 at mid-day. Following the selling pressure from Germany, in the afternoon sterling picked up on demand from New York, and touched a high point of \$2.1055-2.1065, before closing at \$2.1015-2.1025, a rise of 80 points on the day.

The dollar's trade-weighted index, on Bank of England figures, fell to 85.4 from 85.7. The U.S. currency fell to DM 1.9990 from DM 1.9945 against the D-Mark to Y214.40 against the Yen, from Y214.30 against the Yen, and to SwFr 1.7265 against the Swiss franc.

The Italian lira lost ground in terms of its ECU central rate, but remained the strongest currency in the European Monetary System. The Belgian franc was the weakest member of the system once again. The Irish punt continued to ease, falling to \$2.0175 from \$2.0190 against the dollar, and also lost ground against most members of the EMS. It fell to DM 3.8322 from DM 3.8460 against the D-Mark; to FF 8.7900 from FF 8.8050 against the French franc; to L1700 from L1703 against the Italian lira; to Dkr 10.65 from Dkr 10.67 against the Danish krone; and to Bfr 60.834 from Bfr 60.78 against the Belgian franc. The Irish currency rose slightly to Fl 4.1350 from Fl 4.1350 in terms of the Dutch guilder however.

Frankfurt—The dollar was fixed at DM 1.9992 against the D-Mark, compared with DM 1.9940 previously. The Bundesbank did not intervene. Sterling moved up to DM 3.9840 from DM 3.9820. The pound touched DM 4.0180 in early trading yesterday. The dollar was fixed at Fl 2.0470, compared with Fl 2.0490 previously.

Paris—The dollar fell in FF 4.35050 from FF 4.36122 at the fixing, while the D-Mark rose to FF 2.2955 from FF 2.2905.

Milan—At the fixing the dollar fell to L41.70 from L43.85. Tokyo—Expectations of a rise in the Bank of Japan discount rate kept trading cautious. The dollar eased to Y213.67 against the yen, from Y214.40 on Monday.

Refuge assurance

STATEMENT BY THE CHAIRMAN, MR. P.W.D. SMITH.

To be presented at the Annual General Meeting to be held on 3rd May 1979.

At the end of my statement a year ago, I expressed the hope that a good year in 1977 would be followed by an even better year in 1978. The accompanying figures for the results of the year in which that hope was fulfilled, in each of the three Branches, the increase in premium income compared with the previous year was more than sufficient to offset the fall in the value of the £ as measured by the corresponding increase in the Retail Price Index.

Income continued to increase, with both equity dividends and property rentals rising significantly. Interest received from House Purchase Investment declined, but this was expected in view of the average level of interest rates. The gross interest yield in the Industrial Branch was 11.0% and in the Ordinary Branch 11.8%.

During the course of the year we decided to realise a total of £10 million invested in low income producing gilt-edged stocks and real estate. The securities which we realised showed an increased annual rate of income and will, we believe, eventually give a considerable growth in capital values in addition to an improving yield. This switch of investments was shared between the Industrial and Ordinary Branches and is reflected in the change in the distribution of assets shown in the Accounts.

There will be further changes at the end of this year. As Mr. J. Proctor-Pearson and Mr. R. F. Pennington have indicated their intention to retire from the Board at that time, I am delighted to say, however, that Mr. Proctor-Pearson has agreed to remain in the position of Chairman of the Company. Following these retirements it is the present intention that Mr. W. N. Brewood, a joint General Manager, will be appointed an executive Director as from 1st January 1980 retaining his existing position, and Mr. R. Stevenson, a joint General Manager, will relinquish his present executive position at the end of 1979 and will be appointed a non-executive Director of the Company, also from 1st January 1980.

The new system of granting tax relief by deduction from the premiums at the time of payment has generated an enormous amount of work. A great deal of valuable time was spent during 1978, particularly by members of the Company's computer staff and senior management, in order to ensure a smooth changeover to the new system on 6th April 1979. It seemed at times as though every week brought a fresh problem, as various aspects of our administrative procedures were examined in minute detail. The burden has been especially heavy in the Industrial Branch, where the special method to which I referred a year ago involves the introduction of a complete new prospectus. Apart from producing a new Rates Book, this has meant revising and reprinting all I. B. policy and proposal forms and various ancillary documents. Hopefully, the problems have all been isolated and resolved, and management will devote more time to other aspects of the Company's business.

The scale of supplementary allowances payable to pensioners was improved from 1st July 1978 and some improvement in terms in the Company's Pension Scheme - affecting retirement pensions and also the lump sum benefit payable on death in

There was considerable growth in premium income, an increase of more than 37% over the previous year being shared fairly evenly between the two main accounts, Property and Motor. In the Property account a large part of the growth in premium income was due to the steps taken to increase sums insured to more realistic levels. However, the account still produced an underwriting loss, but the figure of £242,000 was less than the loss of £278,000 in 1977. A further exercise to improve the position will be undertaken during 1979 with policyholders being invited to renew their policies at a higher sum insured, and there will also be a further increase in minimum premiums.

The Motor Account produced an underwriting loss of £179,000 compared with a profit of £50,000 in 1977. Much of the loss was attributable to motor cycle business and further rate increases are being applied from 1st April, whilst car rates will be held at present levels until 1st June 1979.

The total underwriting loss for the year of £331,000 compares with one of £218,000 for 1977. However, after an increase in investment income and a lower tax charge the net surplus for the year from Fire and Accident business is very little changed, and the sum transferred to Profit and Loss Account remains at £50,000.

The E.E.C. rules for solvency requirements for companies transacting fire and accident insurance business were brought into force during 1978. Whilst these increased the free reserves which we must hold, there has been no problem in complying with the new regulations, and our situation remains satisfactory.

Our grateful thanks and congratulations go to all members of the Management and Staff for the progress made during 1978 and the hard work by which it was achieved. However, it would be foolish and misleading not to acknowledge the extent to which the fall in the rate of inflation, without breaking Government guidelines and without jeopardising in any way the reasonable expectations of policyholders or shareholders. We could look forward with confidence to a similar situation in 1979 if we could rely on a continuing single figure rate of inflation. Unfortunately, at the time of writing, the outlook for the year as a whole is uncertain.

In spite of its precarious position in Parliament and the imminence of a general election, and in the face of a series of nationwide strikes by various groups of key workers, the Government has continued to promote its determination not to let inflation soar upwards again. One can only hope that this aim will be achieved by whatever Government may be in power, and that it will not be achieved at the expense of higher unemployment. Government's task should be to create a climate in which employers and Unions can work together to improve productivity without generating excessive rises in pay and prices. I have referred in previous statements to too much time being taken up with ever-increasing legislation and outside intervention. Both as an employer and as an investor this Company is affected by the present wave of industrial troubles, and I feel that much of the cause of these difficulties lies in political interference by Government in what should be business decisions.

So far as this Company is concerned, 1979 did not start well. Like most other business concerns, we were adversely affected not only by the various strikes but also by the unusually severe weather. There is no reason why we should not recover. We have a strong and able staff, and provided their efforts are not rendered futile by rising inflation, I am confident that they can make 1979 the best year yet for Refuge.

REFUGE ASSURANCE COMPANY LIMITED

Chief Office (and Registered Office) Oxford Street, Manchester M60 7HA

Registered Number 1384C England.

From The Banker Research Unit - Four Completely Revised Titles for 1979. Who Owns What in World Banking - 8th Edition £19 in the UK: US\$46 outside UK, including airmail. Who is Where in World Banking - 8th Edition £11 in the UK: US\$28 outside UK, including airmail. Banking in the United States - 2nd Edition £15 in the UK: US\$36 outside UK, including airmail. Offshore Investment Centres - 3rd Edition £25 in the UK: US\$59 outside UK, including airmail. For further details and order form please write to: The Banker Research Unit, Greystoke Place, Fetter Lane, London EC4A 1ND

THE POUND SPOT AND FORWARD. Table with columns for Country, Days ahead, Close, One month, Three months, % p.a. Includes entries for U.S., Canada, Westland, Belgium, Denmark, N. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Australia, and Switzerland.

THE DOLLAR SPOT AND FORWARD. Table with columns for Country, Days ahead, Close, One month, Three months, % p.a. Includes entries for U.K., Ireland, Canada, Westland, Belgium, Denmark, N. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Australia, and Switzerland.

CURRENCY RATES and CURRENCY MOVEMENTS. Tables showing exchange rates for various currencies and their movements from April 9 to April 10.

OTHER MARKETS. Table showing market data for Argentina, Australia, Brazil, Canada, Denmark, France, Germany, Greece, Hong Kong, India, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Saudi Arabia, Singapore, South Africa, and Switzerland.

EXCHANGE CROSS RATES. Table showing cross rates for various currencies including Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, and Belgian Franc.

EURO-CURRENCY INTEREST RATES. Table showing interest rates for various currencies and terms, including Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, and Japanese Yen.

INTERNATIONAL MONEY MARKET

Belgian rates unchanged. The Belgian National Bank left its 28 day-month bond rates unchanged at yesterday's level of 8.05 per cent. At the same time rates on one, two and three-month Treasury certificates were left at 7.5 per cent, 7.75 per cent and 7.95 per cent respectively. This tended to reduce market sentiment that Belgium's key lending rates, the discount rate and "B" quotes and the Lombard rate, would all remain at their present levels after today's Central Bank council meeting, despite the poor performance of the Belgian franc with the European Monetary System.

UK MONEY MARKET

Small assistance. Bank of England: Minimum Lending Rate 12 per cent (since April 3, 1978). Day to day credit remained in short supply in the London money market yesterday and the authorities gave assistance by buying a small amount of Treasury bills, all direct from the discount houses. The latter were paying

LONDON MONEY RATES. Table showing interest rates for various terms including Overnight, 2 days notice, 7 days notice, 14 days notice, 1 month, 3 months, 6 months, 9 months, and 12 months.

GOLD Easier trend

Gold lost ground in very quiet trading, closing at \$328.239, a fall of \$1.10 on the day. It opened at \$329.340, and touched a high point of \$330.240, before declining to finish around the lowest level of the day. The kruggerand's premium over its gold content widened to 8.35 per cent from 8.45 per cent for domestic delivery, and to 3.50 per cent from 3.28 per cent in the international market.

AMSTERDAM - Call-money fell from 7 1/4 per cent to 7 1/8 per cent and one, three and six-month money rates all eased to 7 1/4 per cent from a previous common level of 7 1/4 per cent. HONG KONG - Conditions in the money market were initially tight, but eased during the afternoon. Call money was quoted at 10 1/2 per cent, the same as overnight money.

NEW YORK - Fed funds were trading at 10 1/4 per cent after the authorities had reduced market liquidity by arranging two-day repurchase agreements. Treasury bills were quoted at 9.63 per cent for 13-weeks, 9.59 per cent for 28-weeks and 9.35 per cent for one-year.

MONEY RATES. Table showing money rates for New York, Germany, and France, including Prime Rate, Overnight Rate, and various term rates.

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates, nominally three years 11 1/4-11 1/2 per cent; four years 11 1/4-11 1/2 per cent; five years 11 1/4-11 1/2 per cent. Bank bill rates which are buying rates for prime paper. Buying rates for four-month bank bills 10 1/4 per cent; four month trade bills 12 per cent.

INTERNATIONAL COMPANIES and FINANCE

AMERICAN NEWS

Decision day for Woolworth board

BY JOHN WYLES IN NEW YORK

BRASCAN'S proposed \$1.125bn cash tender offer for F. W. Woolworth faces a crucial hurdle today when the directors of the retailing giant are due to decide their attitude to the bid.

request at least until today's meeting is concluded, but last Friday's price was the highest since 1977.

The acquisition move by the diversified Canadian company has sparked some not entirely disinterested comment from Wall Street stockbrokers.

The retailing sector has indeed been a particular focus

for foreign companies bent on acquiring U.S. assets. In the last 12 months, Sir James Goldsmith's Generale Occidentale has acquired the southern grocery chain, Colonial Stores, and Ageche-Wilott, another French company, has bought Korvettes.

If Woolworth accepts the offer, or if it rejects it and Brascan presses ahead with an unfriendly bid, the affair could have an impact on the Dow Jones Industrial Average.

Boom in shares on Mexico's exchange

By William Chislett in Mexico City

INVESTORS ARE flocking to the Mexican Stock Exchange (Bolsa Mexicana de Valores) with the same fervour with which fortune-seekers followed the California gold rush.

The 30-stock Price Index of the small exchange increased by 258 per cent between January, 1978, and the end of March, making it the world's fastest growing market.

There are many factors in Mexico's fast-developing oil-rich economy which could be behind the market boom, but, as one stockbroker put it, "the supreme element is psychological and when that happens all the rules go out of the window."

EUROBONDS

Rise in London Interbank rate hits dollar sector

BY FRANCIS GILES

PRICES OF dollar denominated bonds eased across the board yesterday by between 1/8 of a point. Apart from the weakness of the New York bond market on Monday, the other bullish factor at work was the increase in the six month London interbank rate from 10 1/4 per cent on Monday to 10 1/2 per cent yesterday.

In the Floating Rate Note sector the \$50m issue for Banco di Roma was priced at par with indicated conditions. In eight year maturity and a minimum coupon of 8 per cent unchanged by the lead manager Credit Lyonnais.

quoted at 99 1/8. This is a far better performance than most recent public issues but then the terms offered to investors are more attractive.

The reasonable performance of the Lombro issue suggests that coupons of 5 per cent for 10 years will be the norm for good but not prime quality borrowers if the big three Swiss banks decide to lift the freeze they imposed up to Easter on new public issues.

Mitsubishi Electric which includes a coupon of 3 1/2 per cent and a maturity of five years in 11 months.

The same bank has complete a SwFr 100m note issue for Nippon Kokan. These notes mature in five years and carry a coupon of 4 per cent. The have been priced at 99 1/8.

Weston bows out of battle for THE BAY

By Jim Rusk in Toronto

GEORGE WESTON has conceded defeat to the Thomson family in the first bidding war for control of Hudson's Bay Company. The concession was made in a brief statement that said that Weston is not formally withdrawing his offer for the Bay but has decided not to increase its bid.

Mr. Mark Hoffman, senior vice-president of finance for Weston, said the statement represents "a recognition that under the circumstances the Thomson offer is likely to succeed."

The Thomson offer, of C\$37 a share for 75 per cent of the Bay shares, was accepted by the Bay's board on Sunday.

Celanese sells polyester division

NEW YORK — American Hoechst Corporation, a subsidiary of Hoechst of West Germany, has agreed in principle to buy the fixed assets of Celanese Corporation's polyester film division for about \$75m and certain current assets for an undisclosed sum.

The companies said the sale includes the polyester film and resin manufacturing, research and development and administrative facilities at Greer, South Carolina, and certain technology and patent rights.

The proposed sale, which is subject to the execution of a definitive agreement, and approval by both companies' directors, is expected to be concluded by the end of 1979, at

which time American Hoechst will pay Celanese \$60m cash, with the remainder to be paid over a five-year period.

It is planned that the nearly 800 Greer employees and the polyester film field marketing staff will become employees of American Hoechst.

"The sale will not alter the Celanese long-range commitment to the engineering resins and Petpac polyethylene terephthalate resin businesses of the Celanese Plastic Materials Company," according to Celanese.

American Hoechst, already a major employer in SC where it produces Trevira polyester fibre and filament, said the acquisition of the polyester film business is consistent with its diversification plans.

The proposed agreement provides that American Hoechst will supply Celanese with polyester resin for soft drink bottles for up to five years. In addition, production capacity for Petpac resin will be built by Celanese at the Fiber Industries plant at Palmetto, Darlington, S.C. It is also planned that the Celgard microporous film product line will be continued at its Summit N.J. location.

The sale is not expected to have any significant effect on Celanese 1979 income. Sales of the film business in 1978 were \$66m, about 2 per cent of total Celanese sales.

RESULTS IN BRIEF

Improvement for Mellon

BY OUR NEW YORK STAFF

MELLON National Bank of Pittsburgh, the first major bank to report for the first quarter of 1979, said its income before securities transactions had risen 23 per cent to \$24.2m from \$19.7m in the same period last year.

Income after securities transactions rose 23 per cent, from \$18.6m to \$22.9m.

Agencies add from New York: International sales for Baxter Travenol Laboratories were particularly strong in the

first quarter rising 33 per cent to \$95.3m whereas domestic sales increased 15 per cent to \$179.6m. The medicines group improved net earnings to \$25.7m or 70 cents per share diluted from \$20.7m or 58 cents for the corresponding first quarter.

First quarter sales for Libbey-Owens-Ford, the glass, fluid systems and plastics group, surged to \$318.5m from \$262.5m

whereas net earnings for the quarter improved to \$21.1m or \$1.85 per share from \$13.7m or \$1.13 per share.

Earnings boost for Whirlpool

NEW YORK—Whirlpool Corporation, the major manufacturer of refrigerators and other household appliances, managed to get earnings moving up again in the first quarter of the current year.

Net earnings of \$28.5m showed a gain of 5 per cent, and sales of \$509.8m showed a similar advance. Per share earnings of 73 cents compared with 70 cents last time.

Declining unit and dollar sales cut into earnings last year, when the year-end earnings total was some 18 per cent down at \$99.6m.

BANQUE EXTERIEURE D'ALGERIE ALGIERS, ALGERIA US\$150,000,000 TERM CREDIT FACILITY MANAGED BY CHASE MERCHANT BANKING GROUP CANADIAN IMPERIAL BANK OF COMMERCE BANQUE BELGE LTD - SOCIETE GENERALE DE BANQUE S.A. BARCLAYS BANK INTERNATIONAL LIMITED CO-MANAGED BY ARAB BANK FOR INVESTMENT AND FOREIGN TRADE, ABU DHABI PKBANKEN FUNDS PROVIDED BY THE CHASE MANHATTAN BANK, N.A. MIDLAND BANK LIMITED UNION DE BANQUES ARABES ET FRANCAISES - U.B.A.F. BANQUE INTERCONTINENTALE ARABE BAYERISCHE LANDESBANK GIROZENTRALE BANK OF SCOTLAND CREDIT LYONNAIS ARAB BANK FOR INVESTMENT AND FOREIGN TRADE, ABU DHABI PKBANKEN UNION DE BANQUES ARABES ET FRANCAISES - U.B.A.F. AGENT BANK UNION DE BANQUES ARABES ET FRANCAISES - U.B.A.F.

Scheme to improve marketability of CDs

BY DAVID LASCELLES IN NEW YORK

REFLECTING growing competition among banks for funds—particularly from abroad—the major New York rating agency, has announced plans to raise large denomination Certificates of Deposit so as to increase their marketability.

The other rating agency, Standard and Poor's, says it is also considering such a move.

At the moment, these agencies confine most of their rating activities to bonds and other fixed income securities.

Moody's says it will start rating CDs of \$100,000 or more

maturing in less than nine months. This would cover a large proportion of total CD issues.

Banks issue CDs to their corporate customers who deposit large sums with them for a specific period. These CDs are then traded in a secondary market at prices reflecting the short term cost of funds.

Foreign banks currently seeking to enter the U.S. market would probably need a rating to gain favour with U.S. investors, market sources noted yesterday, particularly institutional investors who are restricted as to where they can place their funds.

Sharon Steel backs down over UV plan

By Our New York Staff

SHARON STEEL, headed by Mr. Victor Posner, has backed down in its struggle for control of UV Industries, the manufacturing concern whose liquidation plan it contested bitterly last month.

The two companies announced that all legal proceedings would be dropped and that Sharon would no longer contest UV's liquidation, though it remained opposed to the plan in principle.

UV also announced the first pay-outs in its liquidation plan which is expected to realise close on \$500m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table with columns for U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, CONVERTIBLE BONDS, and OTHER STRAIGHTS. Includes bond names, amounts, and prices.

Vertical text on the right edge of the page, including 'Nobel' and 'Bank of T'.

Renold group chief executive change

Mr. E. Garlick, at present overseas divisional managing director of RENOLD...

Mr. Ian Scott has been appointed deputy managing director of THAMES TELEVISION...

Mr. Ian Northern has been appointed assistant managing director of CAPITAL AND COUNTY PROPERTY COMPANY...

Mr. R. S. Wilkins and Mr. J. S. Darlacher will retire from the partnership of WEDD DURLACHER MORDAUNT AND CO...

By agreement with Chevron Chemical Company BP CHEMICALS partner in the BPCALL-FORNIA group...

BASS has formed a number of Bass Brewing subsidiaries in England and Wales...

Mr. A. J. Pitteville, who has been with the PERKINS ENGINES GROUP for more than 25 years...

C. T. BOWRING AND CO. has made the following appointments: Mr. R. E. F. Ballantyne, Mr. J. W. S. Macdonald...

London Clearing Banks' balances as at March 21, 1979

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits...

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales...

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control...

TABLE 1. AGGREGATE BALANCES. LIABILITIES. Sterling deposits: UK banking sector, UK private sector, UK public sector, Overseas residents, Certificates of deposit...

ASSETS. Sterling. Cash and balances with Bank of England, Market loans: UK banks and discount market, Other, Bills, Special deposits with Bank of England, British Government stocks, Advances...

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES. LIABILITIES. Total deposits, ASSETS. Cash and balances with Bank of England, Market loans, Bills, Special deposits with Bank of England, British Government stocks, Advances...

TABLE 3. CREDIT CONTROL INFORMATION (Parent banks only). Eligible liabilities, Reserve assets, Reserve ratio (%)

TABLE 4. ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS. UK banks, Overseas banks, Reserve assets, Constitution of total reserve assets, Ratios %

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIOS, AND SPECIAL DEPOSITS. UK banks, Overseas banks, Reserve assets, Constitution of total reserve assets, Ratios %

GOLDMAN SACHS CAPABILITY: OVER \$28,000,000,000 IN PUBLIC AND PRIVATE FINANCINGS IN 1978.

Last year, Goldman Sachs managed or co-managed 87 public offerings for U.S. and overseas corporations, and for non-U.S. government entities...

Total for the year—over \$28 billion, including more than \$3 billion in international transactions. We believe this record provides evidence of Goldman Sachs' capability in helping meet the needs of each client...

Grid of financial offerings including: Ford Motor Credit Company, Republic of Finland, Kingdom of Norway, American General Insurance Company, Ito-Yokado Co., Ltd., Southern California Edison Company, etc.

Goldman Sachs logo and text: Goldman Sachs & Co. New York Boston Chicago Dallas Detroit Houston Los Angeles Memphis Miami Philadelphia St. Louis San Francisco International subsidiaries: London Tokyo Zurich

Companies and Markets

WORLD STOCK MARKETS

Wall Street slightly ahead at mid-session

INVESTMENT DOLLAR PREMIUM
\$2.60 to \$2.31% (53%)
Effective \$2.020 231% (231%)
A SLIGHTLY firmer tendency was evident on Wall Street yesterday morning...

The NYSE All Common Index improved 12 cents to 958.00, while rises narrowly led declines in issues by a volume of 1.1 billion shares...

NEW YORK

Table of stock prices for various companies in New York, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

Canada
After Monday's widespread downturn, stocks moved irregularly in moderate early dealings yesterday.

The Toronto Composite Index was just 0.1 firmer at 1,487.22 at noon. Oils and Gas picked 7.3 to 218.95 on index, while Utilities improved 0.63 to 219.80...

TOKYO

Table of stock prices for various companies in Tokyo, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

Bank of Japan announced yesterday that the national March select price index rose 0.9 per cent from the February level and was up 0.1 per cent from a year ago at 105.7.

Shares drifted lower in listless trading, affected by Easter holiday influences. The Daimichi index shed 4.1 more to 780.0.

GERMANY

Table of stock prices for various companies in Germany, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

Higher metal prices gave an uplift to a number of base metal mining stocks. Western Mining hardened 3 cents more to AS2.41 in active trading...

Profit-taking after the gains of the previous four sessions caused share prices to generally react yesterday in moderate trading.

PARIS

Table of stock prices for various companies in Paris, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

Higher metal prices gave an uplift to a number of base metal mining stocks. Western Mining hardened 3 cents more to AS2.41 in active trading...

Profit-taking after the gains of the previous four sessions caused share prices to generally react yesterday in moderate trading.

HONG KONG

Table of stock prices for various companies in Hong Kong, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

Indices

NEW YORK - DOW JONES

Table of Dow Jones indices for New York, including columns for Apr. 9, Apr. 10, Apr. 11, Apr. 12, High, Low, and % Change.

STANDARD AND POORS

Table of Standard and Poors indices for New York, including columns for Apr. 9, Apr. 10, Apr. 11, Apr. 12, High, Low, and % Change.

RISERS AND FALLERS

Table of risers and fallers for New York, including columns for Issues Traded, Rises, Unchanged, and New Highs.

MONTREAL

Table of stock prices for various companies in Montreal, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

TORONTO Composite

Table of stock prices for various companies in Toronto, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

JOHANNESBURG

Table of stock prices for various companies in Johannesburg, including columns for Stock, Apr. 9, Apr. 10, Apr. 11, and Apr. 12.

MONDAY'S ACTIVE STOCKS

Table of Monday's active stocks, including columns for Stock, Price, and % Change.

INDICES AND BASE DATA

Table of indices and base data for various markets, including columns for Index, Price, and % Change.

AUSTRALIA

Table of stock prices for various companies in Australia, including columns for Stock, Apr. 10, and % Change.

STOCKHOLM

Table of stock prices for various companies in Stockholm, including columns for Stock, Apr. 10, and % Change.

OSLO

Table of stock prices for various companies in Oslo, including columns for Stock, Apr. 10, and % Change.

JOHANNESBURG

Table of stock prices for various companies in Johannesburg, including columns for Stock, Apr. 10, and % Change.

MILAN

Table of stock prices for various companies in Milan, including columns for Stock, Apr. 10, and % Change.

PARIS

Table of stock prices for various companies in Paris, including columns for Stock, Apr. 10, and % Change.

BRASIL

Table of stock prices for various companies in Brazil, including columns for Stock, Apr. 10, and % Change.

EUROPEAN OPTIONS EXCHANGE

Table of European options exchange data, including columns for Series, Vol., Last, and Stock.

BASE LENDING RATES

Table of base lending rates for various banks, including columns for Bank Name, Rate, and %.

AMSTERDAM

Table of stock prices for various companies in Amsterdam, including columns for Stock, Apr. 10, and % Change.

COPENHAGEN

Table of stock prices for various companies in Copenhagen, including columns for Stock, Apr. 10, and % Change.

VIENNA

Table of stock prices for various companies in Vienna, including columns for Stock, Apr. 10, and % Change.

BRUSSELS/LUXEMBOURG

Table of stock prices for various companies in Brussels/Luxembourg, including columns for Stock, Apr. 10, and % Change.

SWITZERLAND

Table of stock prices for various companies in Switzerland, including columns for Stock, Apr. 10, and % Change.

MILAN

Table of stock prices for various companies in Milan, including columns for Stock, Apr. 10, and % Change.

PARIS

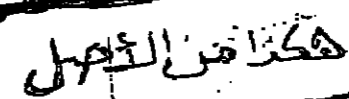
Table of stock prices for various companies in Paris, including columns for Stock, Apr. 10, and % Change.

BRASIL

Table of stock prices for various companies in Brazil, including columns for Stock, Apr. 10, and % Change.

Commodity Markets

COMMODITIES and AGRICULTURE



Pig disease fear near Manchester

By Our Commodities Staff
MINISTRY OF AGRICULTURE veterinary officers are investigating suspected outbreak of swine vesicular disease in the Greater Manchester area...

OPEC-style commodity pricing urged

By Our Commodities Staff
PRIMARY PRODUCER countries should opt for OPEC-style pricing of their commodity exports instead of supporting price stabilization schemes...

Brazil leads new bid to raise coffee prices

BY RICHARD MOONEY
COFFEE FUTURES prices climbed to their highest levels for six months in the London market yesterday as dealers became increasingly convinced that Brazil had, after all, succeeded in persuading Central American producers to raise their export prices...

Inco delays nickel price decision

By John Edwards, Commodities Editor
LE NICKEL confirmed yesterday it was increasing its world nickel price by 25 cents a pound... Inco delayed its decision to raise nickel prices until after its board meeting to agree economic measures...

Burma aims to double hardwood exports

BY A CORRESPONDENT IN RANGOON
BURMESE EXPORTS of teak and other hardwoods are expected to double in the next three years to \$128.5m from the present level of \$37m... The state-owned timber corporation is cashing in on rising world demand for top grade Burmese timber...

U.S. copper pricing confusion

BY DAVID LASCELLES IN NEW YORK
TWO LEADING U.S. copper producers shifted their prices in different directions yesterday, reflecting the highly excited state of the U.S. copper market... Anaconda, the Atlantic Richfield subsidiary, announced a one cent cut in the premium it charges on the New York Commodity Exchange price...

Tin market tumbles

BY JOHN EDWARDS, COMMODITIES EDITOR
CASH TIN prices tumbled on the London Metal Exchange yesterday as the supply squeeze on the market eased... Standard grade cash tin closed at \$212.50, down from \$217.875 a tonne...

BRITISH COMMODITY MARKETS

Table listing prices for various commodities such as lead, tin, copper, and silver in London.

Table listing prices for coffee, cocoa, rubber, and wool futures.

Table listing prices for tin, copper, and silver in the Americas.

AMERICAN MARKETS

Table showing price changes for various commodities in the Americas, including tin, copper, and silver.

Insurance base rates table for various types of property and liability insurance.

Table showing market indices and futures prices for various commodities.

Table showing prices for meat and vegetables, including beef, pork, and lamb.

Table showing prices for European markets, including various foodstuffs and raw materials.

Advertisement for Inter Commodities Limited, highlighting its services in commodity trading and market analysis.

Table showing prices for wool futures, including different grades of wool and their respective prices.

Table showing prices for grain and soyabean meal, including wheat, barley, and various meal products.

Table showing prices for European markets, including various commodities like cotton, rubber, and sugar.

AUTHORISED UNIT TRUSTS

Table of authorised unit trusts including Abbey Unit Trust, Abbey Income Fund, Abbey Growth Fund, etc.

Table of various unit trusts including Minister Fund Managers Ltd., MLA Unit Trust Mgmt. Ltd., Murray Johnson U.K. Mgmt. Co., etc.

Table of insurance and property bonds including Abbey Life Assurance Co. Ltd., Crown Life Assurance, Lloyds Life Assurance, etc.

OFFSHORE AND OVERSEAS FUNDS

Table of offshore and overseas funds including Alexander Fund, Alexander Growth, Alexander Income, etc.

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NOTES

Footnote text explaining the data in the tables, including 'Prices do not include 5% premium...'.

FOOD, GROCERIES—Cont.

Table listing various food and grocery items with columns for Stock, Price, and % Change.

HOTELS AND CATERERS

Table listing hotel and catering companies with columns for Stock, Price, and % Change.

INDUSTRIALS (Miscel.)

Table listing various industrial companies with columns for Stock, Price, and % Change.

FT SHARE INFORMATION SERVICE

ENGINEERING—Continued

Table listing engineering companies with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS—Cont.

Table listing chemical and plastic companies with columns for Stock, Price, and % Change.

BANKS & HP—Continued

Table listing banks and home products companies with columns for Stock, Price, and % Change.

BONDS & RAILS—Cont.

Table listing bonds and rail companies with columns for Stock, Price, and % Change.

DRAPERY AND STORES

Table listing drapery and store companies with columns for Stock, Price, and % Change.

BEERS, WINES AND SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, and % Change.

AMERICANS

Table listing American companies with columns for Stock, Price, and % Change.

BUILDING INDUSTRY, TIMBER AND ROADS

Table listing building, timber, and road companies with columns for Stock, Price, and % Change.

CANADIANS

Table listing Canadian companies with columns for Stock, Price, and % Change.

BANKS AND HIRE PURCHASE

Table listing banks and hire purchase companies with columns for Stock, Price, and % Change.

ELECTRICAL AND RADIO

Table listing electrical and radio companies with columns for Stock, Price, and % Change.

FOREIGN BONDS & RAILS

Table listing foreign bonds and rail companies with columns for Stock, Price, and % Change.

FOOD, GROCERIES, ETC.

Table listing food, grocery, and other items with columns for Stock, Price, and % Change.

ENGINEERING MACHINE TOOLS

Table listing engineering machine tool companies with columns for Stock, Price, and % Change.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, and % Change.

Advertisement for Bifurcated Engineering Ltd. featuring a logo and text about riveting systems and parts feeding.

BRITISH FUNDS

Table listing British funds with columns for Stock, Price, and % Change.

Over Five Years

Table listing funds with a track record of over five years with columns for Stock, Price, and % Change.

Undated

Table listing undated funds with columns for Stock, Price, and % Change.

INTERNATIONAL BANK

Table listing international banks with columns for Stock, Price, and % Change.

CORPORATION LOANS

Table listing corporation loans with columns for Stock, Price, and % Change.

LOANS

Table listing various loans with columns for Stock, Price, and % Change.

COMMONWEALTH & AFRICAN LOANS

Table listing commonwealth and African loans with columns for Stock, Price, and % Change.

FINANCIAL TIMES

Advertisement for the Financial Times, including contact information for London and Frankfurt offices, and details about editorial and advertising services.

مكتبة من الكتب

DAWA SECURITIES

MINES—Continued

AUSTRALIAN

Table of Australian Mines with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

TINS

Table of Tins with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

COPPER

Table of Copper with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

MISCELLANEOUS

Table of Miscellaneous stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

GOLDS EX-S PREMIUM

Table of Golds Ex-S Premium with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

NOTES

Notes section containing various financial notices, including interest rates and company announcements.

FINANCE, LAND—Continued

Table of Finance and Land stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

OILS

Table of Oils with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

OVERSEAS TRADERS

Table of Overseas Traders with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

RUBBERS AND SISALS

Table of Rubbers and Sisals with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

TEAS

Table of Teas with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

MINES

CENTRAL RAND

Table of Central Rand mines with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

EASTERN RAND

Table of Eastern Rand mines with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

WAR WEST RAND

Table of War West Rand mines with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

O.F.S.

Table of O.F.S. (Overseas Finance and Securities) with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

FINANCE

Table of Finance stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

DIAMOND AND PLATINUM

Table of Diamond and Platinum stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

CENTRAL AFRICAN

Table of Central African stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

INVESTMENT TRUSTS—Cont.

Table of Investment Trusts with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

PROPERTY—Continued

Table of Property stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

SHIPPING

Table of Shipping stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

SHOES AND LEATHER

Table of Shoes and Leather stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

SOUTH AFRICAN

Table of South African stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

TEXTILES

Table of Textiles stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

TOBACCOS

Table of Tobacco stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, and Land stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

FINANCE, LAND, etc.

Table of Finance, Land, etc. stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

PROPERTY

Table of Property stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

INSURANCE

Table of Insurance stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

PROPERTY—Continued

Table of Property stocks with columns for Stock, Price, % Change, Div. Yield, and P/E Ratio.

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Airways chief backs denationalisation

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PLANS BEING drawn up by Conservative Party leaders to sell a substantial part of the State-owned British Airways to the private sector if they win the General Election were backed last night by Sir Frank McFadden, the airline's chairman.

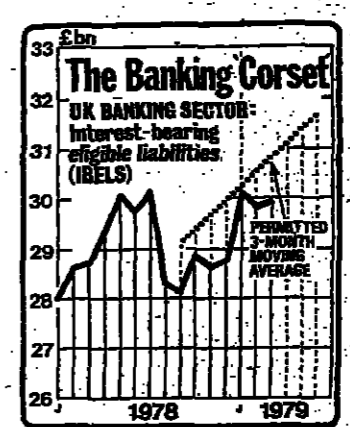
Public sector borrowing lower than expected

BY DAVID FREUD

PUBLIC-SECTOR borrowing is likely to have been a little below £8.5bn in the 1978-79 financial year, Government revenue and spending figures released yesterday suggest.

THE LEX COLUMN Money supply: all right for now

Index rose 4.3 to 535.7



With sterling putting on another 80 points against the dollar yesterday, the gilt-edged market was in a buoyant mood and was not going to let itself get worried about the monthly banking figures.

Israel plans West Bank oil search

BY DAVID LENNON IN TEL AVIV

ISRAELI WILL start drilling for oil next week in the occupied West Bank. Officials are confident of making a major strike.

Syndicate asks for more aid

By John Moore

THE 110 MEMBERS of the STRIKE LLOYD'S syndicate are facing losses of £13.6m, are to ask Lloyd's today for more substantial financial aid.

Tarmac chief steps down in reshuffle

BY MICHAEL CASSELL

IN ANOTHER boardroom upheaval at Tarmac, Mr. Robin Martin has relinquished his position as managing director and chief executive of the Wolverhampton-based roadstone and civil engineering group.

Continued from Page 1 BP and Iran which are largely concentrated in the hands of its major rivals, Exxon, Shell, Texaco and Mobil.

Continued from Page 1 Money market and the banks' bull positions in sterling have tended to boost eligible liabilities but not sterling M3.

Weather UK TODAY OCCASIONAL RAIN in most places with heavy showers later. Some bright periods. Rather warm. Max 13C (55F).

Turks' secrecy desire worries IMF

BY DAVID TONGE

RELATIONS BETWEEN Turkey and the International Monetary Fund are now at a critical stage following the Turkish Government's insistence that no publicity must be given to any commitments it makes to the fund.

The new rates involve premium rates for emigrant workers' remittances and tourists and were announced at the same time as some changes in the parity of the Turkish lira.

A few words about Tokai Bank's expanding international operations. As you might know, Tokai Bank is one of the leading banks in the world with over 15,000 employees and 200 offices established in Japan itself.